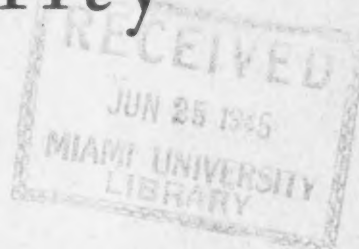


Social Security Bulletin



May 1945

Vol. 8

No. 5

Medical Care for Persons in Need

Perspectives on the Reconversion

Experience-Rating Operations in 1944

Tripartite Hearings on Benefit Determinations

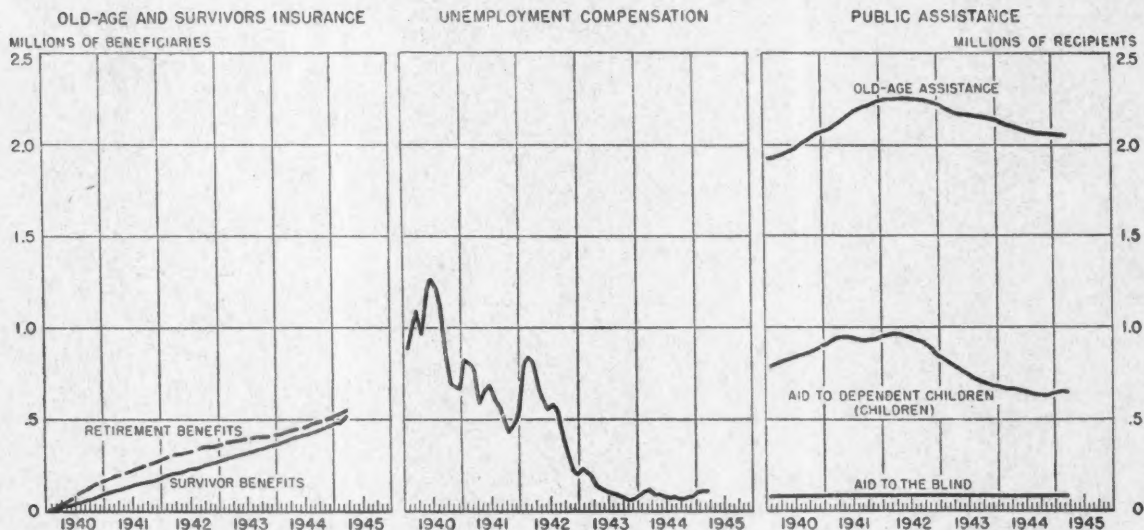
FEDERAL SECURITY AGENCY

SOCIAL SECURITY BOARD

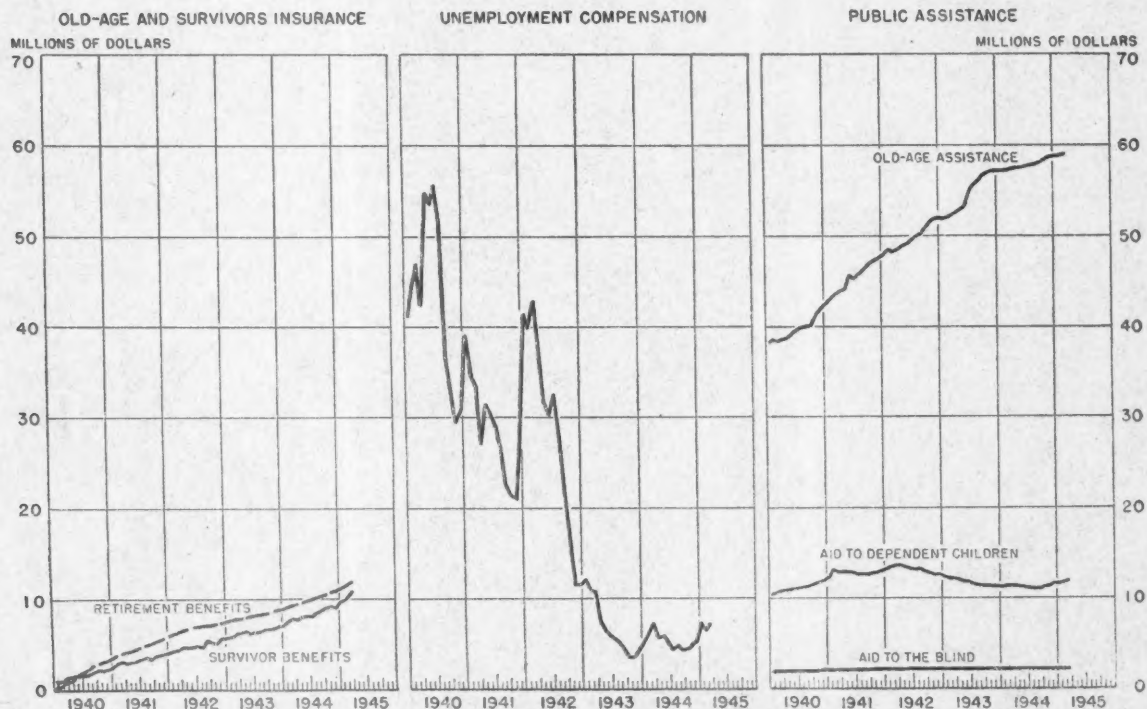
WASHINGTON, D. C.

Social Security Operations*

INDIVIDUALS RECEIVING PAYMENTS



SOCIAL SECURITY PAYMENTS



*Old-age and survivors insurance, beneficiaries for whom payments were certified and amounts certified during month; unemployment compensation, weekly average number of beneficiaries for the month and gross benefits paid during the month under all State laws; public assistance, recipients and payments under all State programs.



Social Security Bulletin

Volume 8

May 1945

Number 5

Social Security in Review

The Month in Review

"To get down to earth and talk about our tasks is a let-down from the momentous news of the day," the Chairman said in opening the last session of the conference of the Board's Regional Directors on May 8, a few minutes after President Truman proclaimed V-E day. "Yet in a way it seems to fit the mood of most of us at the moment. Those of us who have lived through the endings of two world wars sense, I think, a difference in the attitude of the Nation today, as compared with November 11, 1918. Then the country was not so conscious that, while the war had ended, the peace had just begun. Now we realize all too well that, hard as it is to fight a war, it probably will be still harder to win a peace. Probably the greatest task of the peace is to bring a degree of well-being to all the peoples of the world. If we cannot do that, we cannot abolish war. And so social security really is basic to a world at peace. Just as we have learned that war is indivisible, so peace is indivisible, and so is social security. It is our job in our various ways to help, as much as we can, to build the edifice of well-being that we have come to call social security."

THE YEAR-TO-YEAR increase since 1938 in the number of workers who received some taxable wages in employment covered by old-age and survivors insurance was reversed in 1944, when 48 million workers, or 600,000 less than in 1943, are estimated to have received such wages at some time during the year. In contrast to the somewhat lower level of covered employment, total taxable wages continued to increase, as did the average taxable wage, although the relative increases were the smallest on record. The total amount reported was \$65.5 billion, almost double the amount in 1940, and the average was \$1,365, almost half as much again as in that year. On the other hand, the number of em-

ployers reporting taxable wages, which had risen steadily from 1938 through 1941 and then declined slightly in 1942 and considerably in 1943, again increased in 1944; almost 2.5 million employers reported at some time during the year.

In March, monthly benefits in force recorded the largest relative monthly increase since March 1943 in both number and amount. One-fifth more awards were processed than in February, the previous peak. The March awards were greater than for any previous month for all types of benefits except primary, and only in a few months of 1940 had the number of primary benefit awards been larger.

IN UNEMPLOYMENT COMPENSATION, both claims and benefit payments moved upward in March, after a downward turn in February. Flood conditions which caused complete stoppage of work in many sections, particularly along the Ohio River, continuing lay-offs in shipbuilding and some other war industries, and, for initial claims, advance filing of claims in States with new uniform benefit years beginning in April all contributed to the rise. Payments of \$7.2 million were made to a weekly average of 103,000 persons for 447,000 weeks of compensable unemployment. The amount disbursed was only slightly less than that a year earlier, but both the weekly number of beneficiaries and the number of weeks compensated were 8 percent less.

In this issue:

SOCIAL SECURITY IN REVIEW:

	Page
The month in review.....	1
Noncharging of certain benefits under experience-rating provisions.....	2
Exemption of earnings, old-age assistance.....	2
Resolutions and memorials of State legislatures.....	2
A national health service for South Africa.....	22
MEDICAL CARE FOR PERSONS IN NEED, by A. J. Altmeyer.....	3
PERSPECTIVES ON THE RECONVERSION, by W. S. Woytinsky.....	5
EXPERIENCE-RATING OPERATIONS IN 1944.....	12
TRIPARTITE HEARINGS ON BENEFIT DETERMINATIONS, by James G. Bryant.....	20
PUBLIC ASSISTANCE:	
General assistance in 1944.....	23
General relief in South Dakota.....	28
How States provide for medical care to recipients.....	29
EMPLOYMENT SECURITY:	
Unemployment compensation.....	31
Fund protection provisions in State unemployment compensation laws.....	35
Employment service.....	38
OLD-AGE AND SURVIVORS INSURANCE:	
Cash surrender value of life insurance of primary beneficiary groups.....	39
Under the Social Security Act.....	40
Monthly benefits in force and payments certified, March 1945.....	40
Monthly benefits and lump-sum payments awarded, January-March 1945.....	41
Family benefits in force, December 31, 1944.....	42
Employers, workers, and taxable wages, fourth quarter, 1944.....	43
SOCIAL AND ECONOMIC DATA:	
Social security and other income payments.....	44
Estimated pay rolls in covered employment, fourth quarter, 1944.....	44
Social insurance and related payments.....	45
Emergency maternity and infant care program.....	48
Financial and economic data.....	48
RECENT PUBLICATIONS.....	52

TOTAL PUBLIC ASSISTANCE payments increased in March in all programs but aid to the blind. Except for the slight downward turn in February, this rise in the total has been evident every month since last July. The increase was greatest for general assistance, in which, after a drastic wartime decline, both assistance and recipients began to increase toward the end of 1944. Although the number of cases receiving general assistance in the country as a whole remained about the same as in February, reports from 19 large cities show that openings were more numerous than in any other month since May 1943. Total disbursements for aid to dependent children increased relatively less than general assistance but continued to move upward, as in the preceding 6 months; the number of recipients also increased slightly, for the fifth consecutive month. Recipients of old-age assistance and aid to the blind, on the other hand, continued the long and uninterrupted decline in number. The average payment was higher than in February in all programs.

Noncharging of Certain Benefits Under Experience-Rating Provisions

In a recent statement, the Social Security Board held that the relation between unemployment benefits paid in certain circumstances and the claimant's past employment with a particular employer is not sufficiently direct to require that such compensation be charged to that employer's reserve account as payable "on the basis of" such employment, even though it is measured by the wages paid for such employment. Therefore, failure to charge such compensation does not conflict with the additional credit requirement in the Federal act that "all and only compensation payable on the basis of services performed" for an employer must be paid from his account. This determination followed a similar statement made earlier in connection with pooled funds.

The Board's action was taken after several State employment security agencies had suggested the desirability of liberalizing both eligibility and disqualification provisions of the State laws but indicated that such liberalization was not possible if benefits paid in certain circumstances were charged to employers' accounts

under the experience-rating provisions of the State law.

Failure to liberalize eligibility and other provisions and distortion of disqualification provisions have resulted in part from the tendency under many State experience-rating laws to merge two different determinations—whether the worker is entitled to benefits and whether an employer should be charged with those benefits. As a result of this merging, severe penalties—such as cancellation of all wage credits of a disqualified worker—have sometimes been imposed because it appeared unreasonable that the benefits should be charged to a specific employer.

In meeting the requirement of the Internal Revenue Code that reduction in rates of employer contributions to a pooled or partially pooled fund be based only on "experience with unemployment or other factors bearing a direct relation to unemployment risk," States have developed a wide variety of methods for charging benefits to the records of individual employers. Some charge all benefits to the last employer, some charge all employers of the beneficiary in proportion to the wages they paid him in the base period, and some use compensable separations as a measure of experience. There is no single approved method of measuring the risk. Nor is it required that all benefits be charged to individual employers, provided that the charges actually made constitute a reasonable measure of the risk. The Board therefore is of the opinion that, in certain circumstances, payments which do not bear a reasonable relation to the risk need not be charged to an employer's account. Among such circumstances, for example, are benefits paid, without disqualification, to a worker who has quit voluntarily with good cause but not cause related to his employment, benefits paid to an ex-serviceman on the basis of wage credits frozen during military service, and other similar conditions.

Exemption of Earnings, Old-Age Assistance

The 1945 deficiency appropriation act, signed on April 25 (Public, No. 40, 79th Cong.), includes a provision permitting States, in determining the need of old-age assistance recipients under title I of the Social Security Act, to exempt from consideration income and resources earned "as an em-

ployee," either as a nurse or "in connection with" the care of sick or confined persons. Two years earlier Congress had similarly exempted earnings from agricultural labor (Public, No. 45, 78th Cong.). Both exemptions are to expire 6 months after the war ends.

The deficiency appropriation act also made available for the current fiscal year \$6.2 million for grants to States for old-age assistance, aid to dependent children, and aid to the blind; \$996,000 for grants to States for unemployment compensation administration; and \$225,000 for administrative expenses of the Bureau of Old-Age and Survivors Insurance.

Resolutions and Memorials of State Legislatures

Several resolutions recently adopted by State legislatures have urged amendments to public assistance provisions of the Social Security Act. Maryland, in a joint resolution, requested her representatives in both the Senate and the House of Representatives "to take whatever steps are possible" to amend the Social Security Act to include a fourth category of general assistance; to remove the Federal matching maximums for aid to dependent children; to provide for uniform residence requirements with 100-percent reimbursement from Federal funds for persons who do not meet the minimum requirements; to provide that reimbursements be made to the States for direct payments to doctors or hospitals for medical care; and to make Federal matching of administrative costs uniform by providing 50 percent of such costs for all programs administered under titles I, IV, and X of the act.

Rhode Island also petitioned its Senators and Representatives in Congress "to work for increased Federal participation" in the three State programs—old-age assistance, aid to dependent children, and aid to the blind—and urged "the elimination of the maximum provision with respect to aid to dependent children payments; Federal participation in medical care payments paid directly by the State agency to hospitals, physicians, or other practitioners until such time as a medical insurance program has been provided; Federal participation, probably upon a 50-50 basis, in general public assistance."

California, in a joint resolution pre-

(Continued on page 22)

Medical Care for Persons in Need

By A. J. Altmeyer*

Sickness, although no respecter of persons, strikes hardest and most often among low-income families—especially among people receiving public assistance. Failure to get medical care creates or perpetuates poverty and causes needless suffering and dependency. The Social Security Board has recommended that the use of Federal funds be authorized under the public assistance programs to share costs of medical care for persons in need.

"THE SUCCESS or failure of any government in the final analysis must be measured by the well-being of its citizens," said Franklin D. Roosevelt in 1931, when he was Governor of New York State. The State's "paramount concern," he added, "should be the health of its people."

In the intervening years the average level of health and length of life in the United States has risen greatly. Not all in our country, however, have shared equitably in that progress. We have not yet broken the vicious circle of sickness and poverty, either the poverty of individuals or that of whole communities.

It does little good to argue whether sickness begets poverty or vice versa; the two are bound together inextricably. By social measures to steady family income and by preventing and curing sickness to the best of our scientific ability we can attack that evil association. Yet we still are far from assuring a chance for health to those whose health needs are greatest and whose ability to pay for medical care is least—the people who are now in need. For them in particular there is bitter truth in the remark which Mr. Roosevelt made in 1939 in transmitting the report of an interdepartmental committee to Congress. "The average level of health or the average cost of sickness," he said, "has little meaning for those who now must meet personal catastrophes. To know that a stream is 4 feet deep on the average is of little help to those who drown in the places where it is 10 feet deep."

Sickness and Dependency

Sickness causes suffering and economic loss among all people, but it affects certain groups of people more than others. Among low-income families and people on the assistance rolls, illness comes oftener and lasts longer, on the average, than among

others. The National Health Survey showed, for example, that illness which lasted a week or longer caused twice as much disability per person among families on relief as among families with \$3,000 a year or more. Ill health and premature death constitute a chief cause—in most years the leading cause—of poverty and dependency. Medical care is important not only to prevent or cure sickness but also to reduce dependency.

The three groups of needy persons covered by assistance programs under the Social Security Act are likely to have especially heavy medical needs since, by definition, they are old or blind or are children in families which, in large part, have become dependent because of the death or disability of one or both parents.

Most old people, even when they enjoy a measure of health and independence, need some medical attention. Chronic diseases are very prevalent among the aged and often involve long periods of disability, prolonged care, and expensive diagnosis and treatment. Need for medical supervision and care is common among old people on the assistance rolls. In the State of Washington, for example, which has a special program for medical care of recipients of old-age assistance, from a fourth to a third of the old people receiving assistance have some medical service each month. During a year most of the aged recipients in that State receive some type of medical care or supervision.

For children, the death or incapacitating illness of a parent often not only is the cause of economic breakdown of a family but also entails the need for special protection of the health and welfare of the other members. Of the 640,000 children receiving aid to dependent children at the beginning of 1945, more than two-thirds were in need because of the death or disability of one or both

parents. How much of this dependency would have been prevented by medical care cannot be estimated. But it is clear that the surviving parents and the children have unusually great health needs. Many of the parents require medical services if their health and economic capacity are to be restored. Furthermore, many diseases like tuberculosis and mental illnesses which incapacitate the parents may have serious consequences for the children. Care of illness has special significance in low-income families. Their homes are crowded, their resources meager, and their living standards low. Precautions necessary to protect the patient, the family, and others in the community are difficult.

The vision of many of the persons receiving aid to the blind might have been conserved or restored by early attention to their condition. For some, proper medical care can still arrest further loss of impaired sight or even restore some capacity to see. In this group, sickness increases the insecurities and hardships of people who are already handicapped.

Aid for persons not eligible for old-age assistance, aid to dependent children, or aid to the blind is financed wholly by the State or locality or both; no Federal funds are provided for general assistance. In about 2 out of every 5 cases accepted for general assistance in 19 large cities in 1944, the reason for aid was that a wage earner had lost employment because of illness or disability. The proportion of persons in rural communities who become dependent because they lack needed medical care may be even higher. Studies of farm borrowers made by the Farm Security Administration in 1940 found that in 21 typical rural counties in 17 States, 96 out of every 100 persons examined had one or more physical defects, and only 4 in 100 were found to be in prime physical condition.

Limitations Under the Social Security Act

Now there is no comprehensive provision for Federal participation in the costs of general medical services. With the exception of services for a few special groups, such as the military forces, veterans, Indians on reservations, wives and babies of men in the armed forces, and merchant seamen, such public medical services as are provided for individuals are fi-

*Chairman, Social Security Board.

nanced wholly from State and local funds. Except for mental illnesses, tuberculosis, and other diseases which affect the public health, for which a needs test is seldom rigorously applied, such care is usually available only to persons in need. Public medical services are commonly provided through a public assistance or a public health agency. For a large group, therefore, public assistance now provides, though inadequately, for needs which ultimately may be better met through programs designed to meet the medical needs of the Nation, but for which there now is little or no other provision.

In the broad framework of social security, public assistance complements and supplements social insurance. As social insurance is broadened in coverage and scope, the need for public assistance will be lessened. Now, however, public assistance is a chief means of filling one of the most serious gaps in social insurance—the lack of insurance against illness. Until social insurance coverage is extended and disability insurance and medical benefits are added, public assistance will continue to be an important means through which persons who cannot pay will get needed medical services.

Many provisions of public assistance legislation make it unnecessarily difficult to provide for medical care for needy persons. The maximums on the amount of Federal funds in assistance payments under the Social Security Act have limited expenditures for medical care in some States. In aid to dependent children, not more than \$9 a month in Federal funds can be used toward the payment for the first child in a family receiving aid to dependent children, and not more than \$6 for each other child aided. In payments of old-age assistance or aid to the blind, the matching Federal part cannot be more than \$20 a month. These Federal maximums have influenced States to adopt similar or even lower amounts for their part of the payment. Some State maximums are specified by State law; others, by administrative order. The maximum limits the money which any recipient can get, however great his need, even though the State may have ample financial resources. The maximums and the unpredictable and relatively high cost of medical care often make it impossible for an agency to give a

needy person enough to enable him to pay for his medical care. Many low-income States do not have enough assistance funds to make payments that will cover costs of food and shelter. Since the Federal Government matches only what the State or the State and locality provide, the less the State spends, the less help the Federal Government can give toward meeting medical costs and other essentials. Only State and local funds, if any, are available for medical care for the many people receiving general assistance.

Under the Social Security Act, the Federal Government may share in medical expenses of the needy aged, blind, and dependent children only when these costs are included in determining the amount of the money payment to the needy person or family. Federal matching is possible only when these payments are made in cash, to the recipient or his legal guardian, without control by the agency of how the money shall be used. The limitations in the amount of individual payments, and in the method of making them, hinder the State agencies in providing for medical care through public assistance.

Medical bills are usually in the form of fees for services and are large for the individuals who have long, serious, or frequent illnesses. Many agencies are reluctant to make large cash payments to individual recipients. Many cannot make large payments because of the ceilings on Federal matching and the lack of sufficient funds of their own.

It is now generally believed by welfare administrators that the cash payment is the best way of meeting the needs of dependent persons. It does not set them apart from other people by reason of their dependency. They are in a position to expend their income to the best advantage, just as other people do. But a person cannot foresee when he will be ill, for how long, or how much the cost will be. He cannot plan for medical care as he can for other necessities. Even if assistance payments were much larger, the recipient could not be sure of having enough to meet medical costs, just as wage-earning families and even well-to-do families cannot always be sure.

Problems also arise because of the requirement that payments be made to the recipient or his guardian, without control by the agency of how the

money shall be spent. The assumption underlying the money payment is that persons are able to plan and manage their own affairs. Although this is generally true, with sick people it often is not the case. Many people do not know how to go about getting the care they need. Even when they do know, they may have difficulty in actually getting a doctor, particularly if the doctor is going to have to give them credit.

Some assistance agencies and many practitioners and medical institutions have not fully understood that the money payment requirement in the Social Security Act is intended to assure the recipient the right to manage his money as he thinks best. They have difficulty in recognizing that the recipient, as the buyer of medical services, has the same relationship to the doctor and hospital as other persons in the community. Agencies then may become involved in practices which have the effect of telling the recipient what he is to buy or whom he is to pay, or guarantee payment to a doctor or hospital by helping to collect payment. Any such activities restrict the recipient's use of his assistance payment, and there can be no Federal matching.

Another difficulty arises because the payment must be made to the recipient and the costs of his last illness may not be known until after his death. This may be a sizable problem since during a year 1 old-age assistance recipient in 10 dies. If an assistance recipient dies before the bill is presented and has no insurance or other assets, costs of the care he received in his last illness must be met from State or local funds without Federal matching.

Several States, most of them rich States, have worked out ways of providing medical care for at least some recipients of public assistance in spite of the limitations in the Social Security Act.¹ All these plans involve expenditures for which matching Federal funds are not at present available. States with limited financial resources are unable, without Federal aid, to make adequate medical care available to the needy people on their assistance rolls. It is important that changes be made in the Social Security Act to enable State public assistance agencies to develop better

¹ For a brief summary of some such programs, see pp. 29-30 of this issue of the *Bulletin*.

and more nearly adequate ways of providing for medical care to persons in need.

Needed Changes

In its *Ninth Annual Report* the Social Security Board recommended a prepayment plan for medical care under a national insurance system. Under such a plan all insured workers and their dependents would be able to get needed medical services. The plan would permit families dependent on public funds to be covered also through payments made by assistance agencies on their behalf.

In the same report the Board also made recommendations about the assistance titles which would affect the provision of medical care to needy persons. These include: removal of maximums governing Federal matching in aid to dependent children and increase in the maximums for old-age assistance and aid to the blind; authorization of Federal matching of payments made directly by the assistance agency to doctors, hospitals, or other agencies that furnish medical

care to assistance recipients; special Federal aid to low-income States; and Federal grants to States to share costs of general assistance.

Many of the public and other groups directly concerned, including State legislatures, the Council of State Governments, and the American Public Welfare Association, have long urged that the existing public assistance program be strengthened and that Federal grants-in-aid be extended to general assistance. In 1938 the House of Delegates of the American Medical Association advocated "recognition of the principle that the complete medical care of the indigent is a responsibility of the community, medical and allied professions and that such care should be organized by local governmental units and supported by tax funds."² This resolution of the House of Delegates also

²Resolution adopted by the House of Delegates of the American Medical Association, Sept. 17, 1938, reported in the *Journal of the American Medical Association*, Vol. 111, No. 13 (Sept. 24, 1938), p. 1216.

recognized that "the necessity for State aid for medical care may arise in poorer communities and the Federal Government may need to provide funds when the State is unable to meet these emergencies."

The objectives for which the United Nations have been fighting for these 5 years and more and the changes impending in our social and economic life as the war economy declines now give added reason to review and revise our provision for people in need. By helping States make more nearly adequate assistance payments to all persons in need and by equalizing the financial burden among States and localities, the Board believes that the Federal Government could take important steps toward assuring at least a minimum of economic security to any needy person. By permitting greater flexibility in the administration of the medical aspects of public assistance, the Board hopes to strengthen the efforts of States to make better provision for the health of needy persons and thereby for the economic security of the Nation.

Perspectives on the Reconversion

By W. S. Woytinsky*

OUR DEMAND for economic projections and prognostications is due to some extent to a feeling of insecurity. As victory dawns, we are aware of three dangers: the threat of economic dislocations and unemployment during the coming reconversion; the threat of set-back, unemployment, and social conflict after demobilization; and the danger of mass unemployment and misery a few years later, after a short spell of prosperity while industry has been catching up with the demands which have accumulated during the war years.

Experience After Previous Wars

Experience after the Civil War and the First World War justifies these apprehensions.

In the summer of 1865, immediately after the end of the Civil War, the United States experienced a set-back.

*Principal Consulting Economist, Bureau of Employment Security. This article is based on a paper presented at the Conference of Regional Directors of the Social Security Board, held in Washington May 3-8.

Then, after an inflationary boom, a new set-back came in 1869. It was followed by a short period of prosperity and then a deep depression which lasted until the end of the 1870's.

Similarly, the end of the First World War brought a minor set-back in the autumn of 1918 and a violent contraction of economic activity in 1920. The subsequent period was called "prosperity" by some people, and "fools' paradise" by others. In relation to the First World War, this period may be described as catching-up expansion, while the great depression of the 1930's appears as the secondary postwar depression, analogous to that of the 1870's.

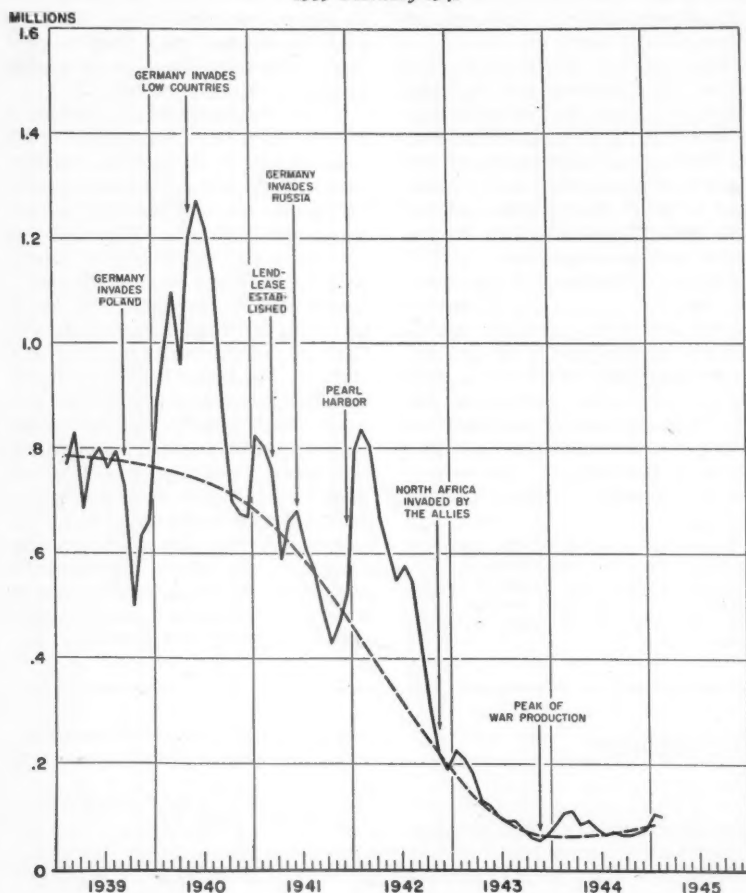
While history will not necessarily repeat itself, past experience is disturbing. Three dangerous turning points are hidden somewhere in the future, in the phases of the postwar economy analogous to the autumn of 1918, to 1920, and to the 1930's. Persons responsible for employment security are particularly eager to figure out what will happen in the

unemployment compensation system during the coming vicissitudes.

Experience in Unemployment Compensation, 1939-44

A general answer to the last question may be drawn from an examination of the average weekly number of beneficiaries under State unemployment compensation systems during the years 1939 through 1944 (chart 1). When Germany invaded Poland, the United States was recovering from the depression of the 1930's. The first manifestation of the war boom cut down the number of beneficiaries. Then, after the conquest of Poland, a lull developed in the war theater. The "phony war" in Europe caused uneasiness and a feeling of uncertainty in this country. Recovery was interrupted by a mounting tide of unemployment. The weekly number of beneficiaries was at a peak, more than 50 percent above the prewar level, when Germany opened its second offensive by invading the Low Countries. After Dunkerque and the surrender of France, when the war became a struggle for survival, this country assumed the role of the arsenal of democracy. The drop in the number of beneficiaries was due to the expansion in de-

Chart 1.—Average weekly number of beneficiaries, unemployment compensation, January 1939–February 1945



fense industries which began in the second half of 1940. By the end of that year, however, the average number of beneficiaries was still as high as it probably would have been if domestic recovery had followed its course and there had been no war in Europe. The additional cost to the unemployment compensation system for this interruption of recovery—for compensating unemployment resulting from these uncertainties—was probably some \$200 million.

The situation changed after the enactment of the lend-lease law and especially after the invasion of Russia. The lend-lease program gave us tools for preparing ourselves for our role in the world drama. Hitler's drive eastward to Ukrainian wheat and Caucasian oil gave us time to complete our preparations. After Pearl Harbor, when production of automobiles and other durable goods was stopped

in the interest of a speedy mobilization, the number of beneficiaries skyrocketed again. Its upturn reflected temporary displacement unemployment in industrial areas. At a rough approximation, the contribution of the unemployment compensation system to financing that phase of mobilization may be estimated at \$100 million.

Further development of the war economy is reflected in the gradual decline of the benefit load to the low point late in 1943, when munitions production was at its peak. The curve of beneficiaries turned up when the curve of munitions production turned down.

This experience may be summed up in two statements: The benefit and work load of the unemployment compensation system is extremely sensitive to all the events which affect the economic outlook and business conditions. It is likely to grow whenever

large-scale readjustments in production and in the distribution of the labor force take place.

It is fairly certain that during the next 2 or 3 years of reconversion we can anticipate several up and down movements of compensable unemployment similar to those in 1940 and 1942. Remembering its experience in the early phase of the war, a State may try to visualize its future work load in relation to the peak load before Dunkerque and after Pearl Harbor.

The Duration and Magnitude of Reconversion

In contrast to the Civil War and the First World War, this war is not ending suddenly. It is ending in stages; it is over in Europe but nobody knows how long it will last in Asia and the Pacific. The order to cease fire will not bring an immediate restoration of peace. The grim task of finishing the job in the Pacific and of policing the aggressor nations will make a swift demobilization impossible and will stretch reconversion over a long period of time.

In a broad sense, reconversion began in the autumn of 1943. Further steps toward economic demobilization are to be expected with the end of the war in Europe. Readjustments are likely to continue, at a slower pace, while the struggle in the Pacific approaches the climax. They will be accelerated after the military collapse of Japan. After that day, however, a year or more may elapse before all the servicemen return to their homes. If one assumes the defeat of Japan sometime in 1946, reconversion and demobilization may stretch to the end of 1947 and would last—counting from the end of 1943 when reconversion actually started—about 4 years; if the road to victory in Asia turns out to be longer, reconversion may take even longer.

What is the job to be done in this period—say by May 1948—in terms of regearing the economic forces in the Nation?

In March 1945 the United States had a labor force of approximately 64 million, including about 6.5 million war emergency workers. Of the total, 12 million were in military service, 52 million in the civilian labor force (table 1). Less than 1 million were unemployed and more than 51 million were at work: more than 40 million in peacetime jobs (including self-employment, agriculture, and civil gov-

Table 1.—High lights of the reconversion

	Number (in millions)
I. Manpower on V-E day, May 1945: ¹	
Total.....	64.0
In military service.....	12.0
Civilian labor force available, total.....	52.0
Unemployed.....	.8
Employed, total.....	51.2
Peacetime activities.....	40.2
Munitions and related industries.....	9.0
War agencies.....	2.0
II. Assumed changes, May 1945-May 1948:	
A. Increase in civilian labor supply, total.....	20.5
Cut-backs in munitions and related industries.....	9.0
Cut-backs in war agencies.....	2.0
Ex-servicemen returning to civilian occupation (net change).....	8.0
Increase in labor force from population growth.....	1.5
B. Absorption of labor displaced by demobilization of industry and the armed forces, total.....	19.0
Filling vacancies now open.....	1.0
Openings due to curtailment of hours of work.....	3.0
Withdrawal of emergency workers. New peacetime jobs:	5.0
In same establishment (without interruption of employment).....	2.5
Created through reconversion.....	7.5
C. Unemployment:	
Increase.....	1.5
Total at end of reconversion ²	2.3

¹ Based on March 1945 figures of the War Manpower Commission; no allowance for seasonal variation and other changes, March-May 1945.

² Including 800,000 out of work on V-E day.

ernment agencies); 9 million in munitions production and related industries; 2 million in civilian employment by Federal war agencies. Apart from seasonal ups and downs, this was about the situation on V-E day.

Reconversion to peacetime conditions entails lay-offs of 11 million war workers and drastic reduction of the armed forces. If 3 million men remain in military service (including some type of military training) and 1 million ex-servicemen either continue their education or are unable to return to civilian occupations, about 8 million ex-servicemen will join workers laid off by war industries. Meanwhile, an additional 1.5 million persons will be added to the labor force by reason of the normal growth of population. Thus the gross increase in the supply of labor for peacetime work, from May 1945 to May 1948, may represent some 20.5 million persons.

We do not know exactly the timing of this tide, but the general pattern of the process is fairly clear: a long and gradual flow of men and women from war service and war jobs back to peacetime occupations.

Four factors will offset this move-

ment: readjustment of hours of work; withdrawal of war emergency workers; the pending demand for labor (unfilled jobs); and the expansion of peacetime production.

The number of jobs which may be made available through reduction of hours of work may be estimated at 3 million on the basis of the following considerations:

The average workweek of factory workers has increased 20 percent, from 37½ hours in 1939 to 45 by 1943. A similar rate of increase was recorded in building construction and public service. The increase was more than 20 percent in mining but less in trade, public utilities, and service industries. No precise information is available for agriculture, although the acute shortage of farm labor suggests that the number of hours per agricultural worker has increased in at least the same proportion as in industry. In brief, it is conservative to assume that, for the Nation as a whole, the average number of hours worked weekly has increased at least 15 percent.

It is fairly probable, however, that the output per worker has risen at a lower rate, say 10 percent. Applying this rate to total civilian employment (annual average in 1944: 52 million), it is found that the increase in the number of hours of work was equivalent to recruiting more than 5 million additional workers. In peacetime industries alone the increment probably represented nearly 4 million man-years of work. These figures seem to support the conclusion that from May 1945 to May 1948 at least 3 million vacancies would be opened in peacetime industries by return to the prewar pattern in hours of work.

The extent to which emergency war workers will "evaporate" is another unknown variable. The labor force has grown with the increasing pressure of the war and the progressive induction of boys, some of whom have never had civilian jobs (chart 2). Growth was accelerated when unemployment dropped below the minimum necessary for the normal labor turnover. Special measures were necessary to bring to factories and offices millions of persons who, under peacetime conditions, would not be in the labor force. These measures will be relaxed during the reconversion and stopped when the war ends.

It is likely that school attendance will be restored to the prewar pattern

or will be further improved, in accordance with the long-range trend. Even if boys and girls who have entered gainful work prematurely during the war fail to return to school, they will cease to be emergency workers after they reach the age at which they would have taken jobs if there had been no war. This part of the surplus labor force is, therefore, self-liquidating; its elimination is simply a matter of time. Self-liquidating likewise is the employment of many service wives and of superannuated workers who have postponed their withdrawal during the war or found their way back to employment after retirement. Dwindling work opportunities may be anticipated for submarginal workers.

On the other hand, it is not unlikely that some of the married women who took work during the war will remain in the labor force. Increase in the proportion of working women is in line with the long-range trend.

All in all, assuming that the labor force now includes about 6.5 million persons who would not be available for work under normal conditions, withdrawal of 5 million individuals in the course of reconversion and demobilization—by May 1948—seems to be in the realm of probability.

The third unknown item is the number of unfilled jobs available for workers laid off by munitions factories. In attempting to estimate this item, one should take into account that some vacancies will disappear when the war boom is over. For example, the conspicuous demand for labor in retail trade and services in the centers of war industry will decline as war production is cut back. The pending demand for labor which will remain and may cushion the reconversion lay-offs is therefore estimated, very conservatively, at 1 million.

To sum up changes in the period from May 1945 to May 1948: on one side of the ledger are increases in the civilian labor force totaling some 20.5 million; on the other side, the offsetting factors—readjustment of hours of work, withdrawal of emergency workers, and unfilled jobs—which may absorb 9 million persons. The remainder 11.5 million represents the net demand for new peacetime jobs to keep unemployment at the present level. The figure will be nearer to 10 million if allowance is made for a moderate increase of temporary "frictional" unemployment.

These considerations lead to a rough estimate of the goal of industrial reconversion in terms of the number of new peacetime jobs required to ensure a reasonably high level of employment after the war. In addition to readjusting hours of work and filling the existing vacancies, the goal is to raise the number of peacetime jobs from 40 million as in March 1945 to 50 million, in round numbers. With 3 million persons who would obtain jobs through readjustment of hours of work and 1 million through filling existing vacancies, civilian employment at that time would total, under the assumptions set forth, about 54 million.

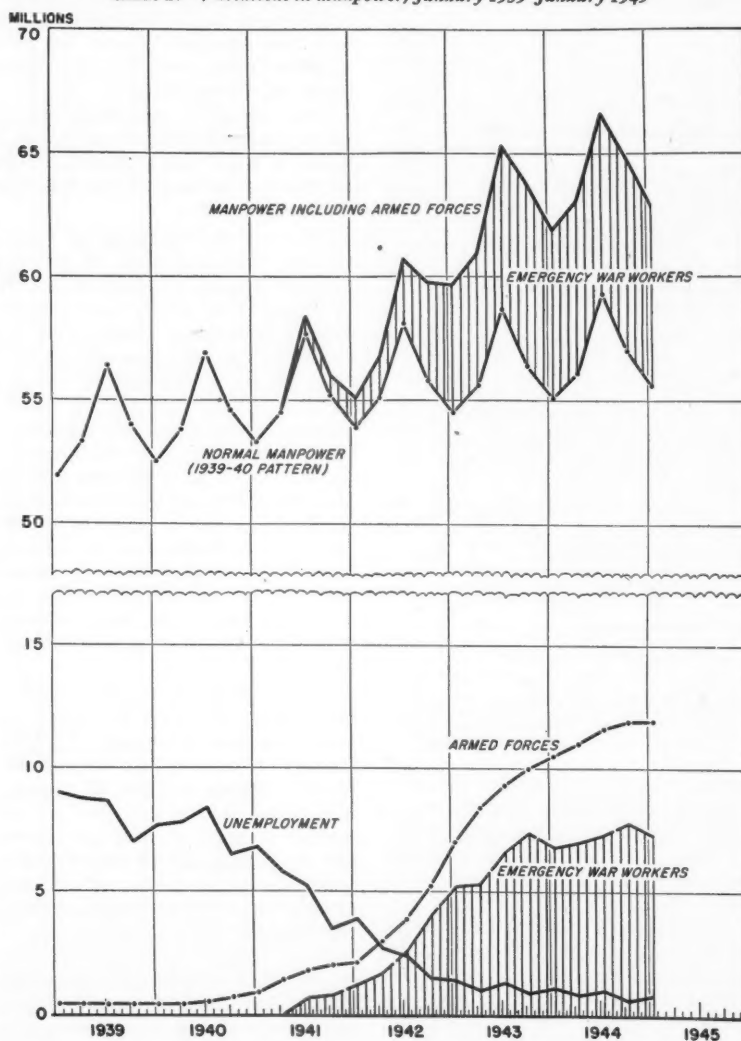
Postwar Employment

What are the chances that full employment will be attained after the war? The question may be approached through two lines of reasoning—one starting from the prewar pattern of employment, the other based on the present distribution of jobs and the possibility of expansion in various fields of economic activity.

In March 1940, our economic system had about 45 million civilian jobs. Allowing about a 9-percent increase for the growth of population, in 1948 the same pattern of employment would mean approximately 49 million jobs. The postulate of full employment—54 million peacetime jobs by what might be the end of demobilization—is, therefore, 5 million jobs more than we would have according to the prewar pattern. Taking into account how far we were from the goal of prosperity in 1940 and making allowance for the deferred demand for housing, durable consumer goods, capital goods, and public works in our postwar economy, as well as for the new possibilities of exports and investments abroad, the goal appears within reach.

To take the second approach, in March 1945 about 17 million workers were employed in manufacturing and mining, more than half of them in war production. The shift to a peacetime economy does not necessarily mean termination of 9 million jobs. Some war workers will have peacetime jobs in the same establishment, at the same lathe or bench. According to a survey made by the National Association of Manufacturers in November 1944, the peak of factory employment during the war was about 50 percent above the prewar level; the

Chart 2.—Variations in manpower, January 1939–January 1945



low point during reconversion may be somewhat above the prewar level; and postwar employment is expected to be 31 percent above it. This estimate suggests that, as a result of termination of 9 million war jobs, not 9 million but about 6 million workers will be laid off; that 3.5 million new peacetime jobs will be provided in a comparatively short time by industrial reconversion; and that all in all, after the completion of reconversion, manufacturing would employ 2.5 million fewer workers than at the peak of the war effort.

Even if one discards this estimate as too optimistic, it appears likely that of the required 10 million or so peacetime jobs (in addition to the 40.2 million available in May 1945, unfilled

vacancies, and vacancies provided by readjusting hours of work), manufactures would provide 5.5 million—2.5 million immediately in the same establishments without interruption of employment and 3 million as a result of reconversion. The number of new peacetime jobs required in other than manufacturing industries would thus be reduced to somewhat less than 4.5 million.

How these jobs might be distributed among industries is a matter of speculation. It seems, however, that by May 1948 the booming building industry might demand not less than 1.5 million workers; that about 500,000 would flow back—at least temporarily—to agriculture; that 500,000 persons may find work opportunities

for self-employment. An additional 2 million jobs might be found in trade, public utilities, transportation and communication, educational and medical services, other professional pursuits, government, service industries, and domestic service.

However, the statement that individuals released from war activities may be reabsorbed by the peacetime economy, after the completion of the reconversion, does not suggest that there would be no unemployment in the transition period.

Actually, in many cases a considerable time will elapse before a suitable peacetime job is found by a worker laid off by a munitions factory, an ex-serviceman released from a separation center, or a worker displaced from a civilian job by a man released from the armed forces. The goal of reconversion policy is to fit the reabsorption of the available labor force to the course of demobilization. It will be comparatively easy to find jobs for the first 2 or 3 million war workers, but difficulties will increase as time goes on. The final phase of demobilization will probably be the most difficult, and all the intermediate steps should serve to prepare the most favorable conditions for handling that situation.

Timing of Different Aspects of the Reconversion

Essentially, regearing the economic system from war to peacetime conditions requires a series of expansions in peacetime production and contractions in the labor force and in hours of work. The crucial question is the timing. Is it preferable to effect all possible expansion first, say in 1945 and 1946, and launch the process of contracting the labor force later, say in 1947, after the end of hostilities in the Pacific, when ex-servicemen will be returning to civilian occupations? Or to begin with the necessary curtailment of the labor force and hours of work and synchronize expansion with the final phase of the demobilization?

The first pattern is easier—in fact, in its early phase it would meet the desires of all pressure groups. The second pattern presents considerable difficulties. It implies that expansion of peacetime production in certain industries should be deliberately postponed and the shift from the war boom to a more frugal type of economy should be accelerated. On the other hand, the corollary of a reduc-

tion of hours of work in the early phase of the reconversion is a rise of wage rates which would prevent an excessive loss of purchasing power by workers and ensure stability of wage cost per unit of production. Employers have been paying premium pay for overtime work and have been using many inexperienced workers who would not meet peacetime standards of efficiency. Output has not increased in proportion to the rise in time worked and the ensuing wage bill. If the workweek is shortened and the labor force curtailed, wage rates, therefore, could be increased without increasing wage costs per unit of output. However, an increase in wage rates may be opposed by employers while curtailment of hours of work without adjustment in wages would be opposed by labor unions. It would not be easy to make both parties agree on a policy contrary to their immediate interests and current slogans.

In spite of its obvious difficulties, it should be recognized that this second pattern of reconversion would have tremendous advantages from the point of view of a smooth demobilization and general welfare. Reduction of the workweek in the early phase of reconversion would create an additional demand for labor immediately after the cut-backs in munitions industries, in those areas where such cut-backs took place. This policy would also stretch the necessary readjustments in the size of the labor force over a longer period of time. Its main advantage is that it would prevent development of mass unemployment in the crucial phase of demobilization, say in 1947, after the end of the war in the Pacific.

As long as we do not know the timing of different aspects of reconversion we are compelled to use alternative estimates of the probable volume of unemployment in its consecutive phases—one for the type of reconversion which postpones difficult decisions and leaves ex-servicemen to carry the main burden of unemployment; the other for the type of reconversion which begins with readjustment in the labor force and synchronizes industrial expansion with the high tide of demobilization.

The Coming Reconversion

The tide of unemployment which may be anticipated in the next few years is related to the economic and military demobilization rather than

to the aftermath of the war economy. It is analogous to the economic setbacks in 1865 after the Civil War and in the autumn of 1918 after World War I, not the dislocations in 1867 and 1920.

The experience of the previous wars indicates that the threat of unemployment is less serious immediately after the end of hostilities than in later phases of the postwar economy—after demobilization is completed and, still later, when the economy has caught up with postponed demands. Available information on the possible extent of lay-offs in the first 12 months after V-E day seems to indicate that the initial part of the reconversion program will be completed without large-scale unemployment. It is anticipated, in fact, that about 5.5 million workers may be laid off in this period by war factories and Federal war agencies.¹ An additional 1 to 1.5 million men may join the civilian labor force because of reduction of the Army. On the other hand, withdrawals of emergency workers may curtail the civilian labor force by 500,000 to 1 million. The total addition to the peacetime labor force in the first year after V-E day may amount to 6.5 million. On the other hand, on the basis of investigation of possibilities in various industries, it is estimated that at least 3 million new jobs will become available during this time in manufactures; 1 million in construction; 500,000 in mining, trade, and services; 100,000 in Government; 400,000 in agriculture. Since the total is 1.5 million short of the total increment in the number of individuals available for peacetime activities, unemployment would have risen, a year after V-E day, to 2.3 million, which is less than the theoretical irreducible minimum of the reserve labor force associated with the concept of "full employment."

This estimate makes no allowance for reabsorption of the labor force through readjustment of hours of work. As far as the volume of unemployment in this period is concerned, it does not make much difference whether peacetime jobs are provided by expanding production of civilian

¹ This figure includes not only the lay-offs in war industries already announced by the Office of War Mobilization and Reconversion but also allowance for further reconversion of war-production programs which the favorable development of military operations may make possible.

goods or readjusting working hours. A readjustment of hours of work—even on a regional basis—might keep unemployment below the limit of 2.3 million, even if industrial production is expanded more slowly than assumed in this estimate. Conditions in the following 12 months, however, appear less reassuring.

If, according to the previous estimates, 6.5 million workers are set free for peacetime jobs in the first year after V-E day, an additional 12.5 million individuals will appear in the labor market in the subsequent phases of reconversion, say from May 1946 to May 1948. Let us assume that between May 1946 and May 1947 the war in the Pacific will have been won and that an additional 12 months will elapse before repatriation of troops is completed. This assumption suggests two consecutive waves of influx to the peacetime labor force; say 7.5 million persons (mainly war workers) by May 1947 and 5 million (all veterans) in the following 12 months. The reabsorption of the first wave will be more difficult than the similar task during the year following V-E day. More pressure will be required for reduction of the labor force, and unemployment might rise temporarily, in this phase of reconversion, to 3 or even 4 million.

In the final phase of demobilization the progress of reabsorption may keep pace with the return of ex-servicemen to their homes if necessary readjustment of the labor force has been completed in advance and the economic system is expanding. On the other hand, considerable difficulties may develop, and unemployment may rise temporarily to 5 or even 7 million if no leeway has been left for expansion of peacetime production.

Loads of the Unemployment Compensation System

In the first 12 months after V-E day, the work load of unemployment compensation agencies, in the United States as a whole, may be about the same as in 1942, during the displacement unemployment after Pearl Harbor. Benefit payments in this period may total about \$500 million or about 50 percent of contributions collected. This ratio, however, will vary widely from State to State. Some States may have a heavier work load than in 1942 and pay out in benefits more than they collect. In other States, the

early phase of reconversion may differ little from the boom of 1943 or 1944.

The work and benefit load in the second 12 months is likely to be much heavier. Even if fewer war workers are laid off, those displaced will have greater difficulty in finding suitable jobs. A larger proportion of job terminations will result in claims for unemployment benefits. The ratio of continued to initial claims will rise. It seems fairly probable that, in the United States as a whole, benefit payments in this second phase of reconversion may exceed the peak in the summer of 1940. All in all, \$600 to \$750 million might be spent by State agencies in these 12 months, and it is probable that some States will have to dip into their reserves to cover current expenditures.

As things look now, however, it is highly unlikely that total benefit payments in the United States in the second 12 months of reconversion will approach the amount of contribution collections.

The perspectives for the third 12-month period are less clear. It is defensible to hope that the ex-servicemen returning from overseas will find the suitable jobs which have been promised to them. Serious dislocations, however, may develop in this period unless measures are taken in advance to cushion the transition.

Long-Range Perspectives

In terms of the chronology of World War I, it is not enough to avert the shock of the autumn of 1918. The real problems are: how to avoid the recession of 1920-21; how to bar the unhealthy speculation of the 1920's; and how to prevent the collapse of 1929.

The stage was set for recession in 1920-21 by runaway war inflation, which reached a new peak after the cessation of hostilities. Chart 3 illustrates the course of inflation during and after World War I, as compared with inflation during the Civil War. The chart shows indexes of wholesale prices as a percentage of those in the last prewar year—1860 for the Civil War and 1913 for War World I. It appears that we had not learned much between the two wars. Our price policy during the last war was as poor as during the Civil War—perhaps even worse.

In contrast to this experience, price stabilization during this war has been successful. Prices rose moderately

before Pearl Harbor, partly because the country was recovering from a long depression, partly under the impact of the defense program. But after the United States entered the war, the rise was kept under control. The official index of wholesale prices may be deceptive as far as finished products and quality of consumer goods are concerned, but it is fairly certain that we have avoided the runaway inflation which characterized the First World War.

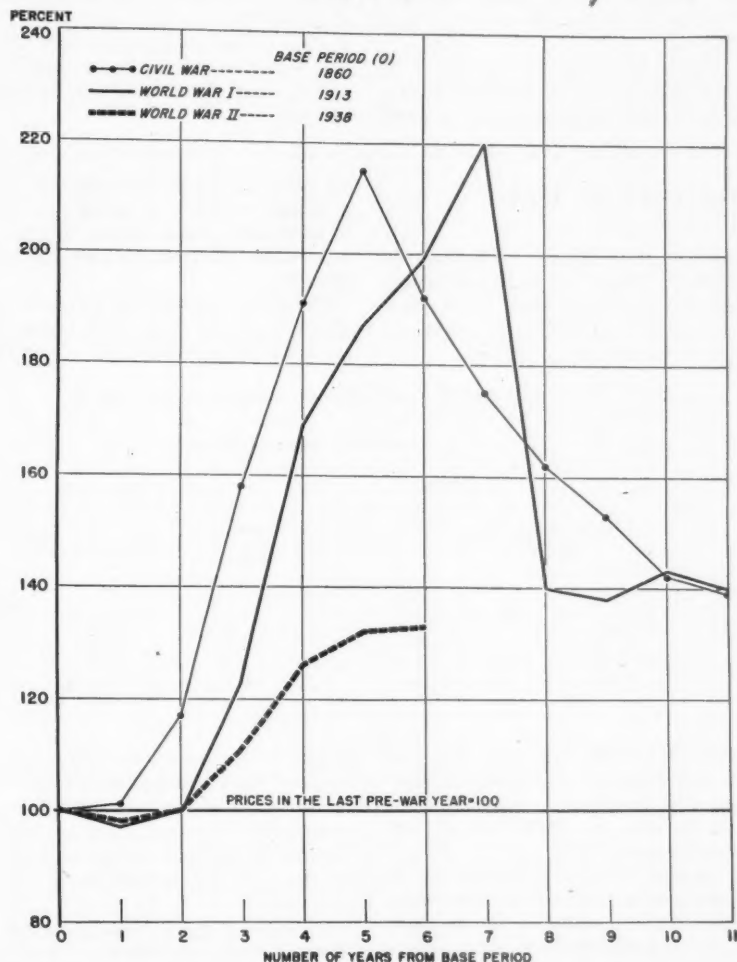
This is very important for appraisal of long-range perspectives. The collapse of 1920-21 became unavoidable after prices had been allowed to climb 120 percent above the prewar level. In this war, this fundamental dislocation has been prevented by continuing controls over prices, strategic materials, hours and wages, and the like. We may, therefore, avoid a postwar recession like that of 1920-21, related to liquidation of an inflationary economy. This statement, however, is conditioned: *If* controls are relaxed prematurely, postwar inflation might readily develop, and it is fairly probable that it would be followed by a collapse and mass unemployment. The danger is the greater this time because of the accumulation of savings during the war and the amount of money in circulation.

Without minimizing this danger, the experience of 1942-44 justifies some degree of optimism. There is no convincing reason why we should fail in controlling the postwar inflation after having achieved considerable success in controlling inflationary forces during the war.

Much more serious is the danger of an accumulation of maladjustments in a more advanced phase of the postwar economy, say after 1950. Even if we can foresee a fairly high level of economic activity and employment immediately after the war—in 1948 and the years immediately following—we cannot predict how long this spell of prosperity will last.

The war did not eliminate maladjustments in the economic system which have caused past business cycles and periodic recurring unemployment. It is logical to plan for reconversion in such a way as to increase the stability of our economic system and protect it against a new contraction. In this sense, legislative measures ensuring full employment are a necessary part of the reconversion policy. Discussion of such measures is not

Chart 3.—Variations in wholesale prices in the United States during and following three wars



within the scope of the present paper. I can only stress a few facts which favor lasting prosperity in postwar America and may help us to avoid in the 1950's the dislocations and turmoils which followed the First World War and culminated in the depression of the 1930's.

1. This time, reconversion and demobilization will be stretched over several years. The transition from war to peacetime conditions will be gradual.

2. Price inflation, which has been a major source of economic dislocation after previous wars, has been successfully avoided up to the present, and it may be hoped that it will be avoided in the period of reconversion.

3. Savings accumulated during this war not only will cushion the transi-

tion from war to peacetime economy but also will support a high level of production and consumption in the catching-up period after demobilization. If inflationary forces are kept under control, the accumulated reserves in purchasing power will not be spent in a few years but, rather, will underwrite a new improved standard of living in the Nation.

4. Likewise, the liquid reserves accumulated by business during the war will hardly be exhausted in the catching-up period. After the war they may enhance the financial security of business enterprises, increasing their independence of monopolistic influences.

5. Even if the most urgent demand for housing and durable goods is met during the short spell of the

catching-up economy, a lasting demand for improvement in living conditions will remain. Development of air transportation will require rezoning of cities. Farmers who have accumulated unprecedented wealth during the war will use it for the rebuilding and restocking of farms. Large projects of public works will be launched by the Federal and local authorities.

6. Economic dislocations after the First World War were due, to a large extent, to short-sighted policy in cancellation of war contracts and liquidation of Government-owned plants and surplus war materials. It seems likely that many of these mistakes will be avoided this time.

7. Social turmoil after the last war was kindled by the lack of public understanding of the problem of veterans. Very little was done to help servicemen in returning to civilian life. A feeling of bitterness and frustration developed in the generation which had fought to save the world for democracy. We are pledged to avoid this mistake after this war and we hope to succeed.

8. The shock of reconversion and subsequent occasional postwar setbacks will be cushioned this time by the system of social security, which did not exist after the last war.

9. The success of price stabilization during this war, as compared with the runaway inflation in the previous wars, shows that we now have more ability in handling economic questions. It may be expected that we will make use of this new skill when facing the problems of taxation, hours and wages, foreign trade, investments, and the like. Whether these problems are handled in the framework of full-employment legislation or otherwise, there is no evidence that we will repeat all the old mistakes and again find ourselves in the disastrous circumstances of the 1930's.

10. Business shows increasing willingness to recognize Government's responsibilities in the economic field, to work with the Government, and to iron out its differences with labor.

11. Organized labor shows an increasing inclination to play ball with management. The trend seems to be toward working agreement and arbitration rather than power policy and a show-down after the war.

12. The United States will emerge from this war as the most powerful

and prosperous Nation in the world, with vast interests and responsibilities abroad. It will play a leading role in the rehabilitation of countries ruined by the war and in industrialization of backward nations. Expansion of our foreign trade and investments abroad

will stimulate our production, enlarge our domestic market, open new frontiers to the industrial genius of this Nation.

Other favorable factors could be cited, but this list is enough to justify a reasonable and moderate amount

of optimism. It should not suggest, however, that lasting full employment is around the corner, whatever we do or fail to do. It suggests only that this goal is in our reach and that the struggle for durable prosperity can be won.

Experience-Rating Operations in 1944*

CONTRIBUTIONS DUE THE unemployment trust fund on 1944 wages were slightly below the amount paid on the preceding year's wages—the first such decrease in the program's history. While taxable pay rolls in employment covered by State unemployment compensation laws continued to rise, the States' experience-rating provisions reduced the average tax rate (combined employer-employee contribution) from 2.18 percent in 1943 to about 1.9 percent in 1944.¹

Of the total of \$1.2 billion payable for 1944, employer contributions amounted to about \$1.1 billion and employee contributions to \$85 million. Employees were taxed in only four States—Alabama, California, New Jersey, and Rhode Island—at an average rate of 0.9 percent.

Alabama was the only State in which employee rates varied along with employer rates, falling to an average of 0.3 percent from the State's 1.0-percent standard employee rate; in California and New Jersey all employees were taxed at a 1.0-

percent rate despite reductions in employer rates; and in Rhode Island, which has no experience-rating plan, all employees contributed at the required 0.5-percent rate.

1.2 percent. Since Pennsylvania accounted for about 9 percent of the Nation's 1944 taxable wages, this drop affected the national average significantly.

Experience rating was in effect in 42 States during 1944.² Employers in these States accounted for about 81

Table 1.—Average employer and employee contribution rates, 1941-44

Year	Average contribution rate (percent)					
	All States			Experience-rating States		
	Combined employer-employee	Employer	Employee ¹	Combined employer-employee	Employer	Employee ¹
1941.....	2.72	2.58	1.0	2.50	2.17	1.0
1942.....	2.32	2.17	1.0	2.04	1.81	1.0
1943 ²	2.18	2.04	.9	1.97	1.77	.9
1944 ³	1.9	1.8	.9	1.7	1.6	.9

¹ Average rates for States with employee contributions.

² Excludes effects of war-risk contribution provisions.

³ Preliminary.

For employers, the average rate for the country as a whole is estimated at 1.8 percent, compared with 2.04 percent in 1943. While rate declines were fairly general, the introduction of rate modifications in Pennsylvania and Tennessee contributed considerably to the decrease in the national average. Rate reductions were particularly sharp in Pennsylvania, where the benefit-wage-ratio type of experience-rating plan reduced the average rate from 2.7 to

percent of the country's taxable pay rolls and were taxed at an estimated average rate of 1.6 percent. Their contributions are estimated to have fallen \$569 million or 42 percent below the amount collectible at the

² For significant experience-rating provisions of State unemployment compensation laws, see the *Bulletin*, September 1944, pp. 12-13; for discussion of fund protection provisions in State unemployment compensation laws, see this *Bulletin*, pp. 35-38.

*Prepared in Program Division, Bureau of Employment Security.

This article does not take account of the additional revenue collectible on 1944 taxable wages under war-risk contribution provisions, since sufficient data are not available at this time. Ten States (Alabama, Florida, Illinois, Iowa, Maryland, Minnesota, Missouri, Ohio, Oklahoma, Wisconsin) now provide for increased or additional contributions by employers with abnormally increased wartime pay rolls. In addition to war-risk contributions, Wisconsin also requires a contribution of 0.5 percent from all employers for a special "postwar reserve" fund.

For previous years' data on the operation of experience rating, see the *Bulletin*, October 1941, pp. 25-28; June 1942, pp. 12-24; February 1943, pp. 9-21; September 1944, pp. 11-19, 48.

¹ These and following figures, unless otherwise indicated, exclude the effects of the special war-risk provisions and voluntary contributions paid by employers during 1944 in an effort to earn reduced rates for the succeeding year.

Table 2.—Effect of experience rating¹ on employer contributions in States with experience rating, 1941-44

Year	States with experience rating						All States
	Number	Average employer contribution rate (percent)	Employer contributions (in millions)		Reduction in revenue		Reduction in revenue as percent of contributions at standard rate
			At average rate	At standard rate	Amount (in millions)	As percent of contributions at standard rate	
1941.....	17	2.17	\$220	\$274	\$54	20	5
1942.....	34	1.81	528	797	269	34	20
1943 ¹	40	1.77	748	1,154	406	35	25
1944 ²	42	1.6	776	1,345	569	42	35

¹ Reflects only effect of ordinary experience-rating provisions; does not include effect of special war-risk provisions or of 0.5-percent "postwar reserve" contributions in Wisconsin.

² Includes preliminary estimate for Michigan; actual data not available.

³ Data for 1944 estimated.

standard tax rate.³ Experience rating will go into operation in Nevada and New York in July 1945 and in Louisiana, the forty-fifth jurisdiction, in October.

About 64 percent of the active employer accounts in the 42 experience-

³ The standard rate is the rate all new employers must pay until they have acquired sufficient "experience" with the risk of unemployment to be eligible for rate modification under their State laws. It is 2.7 percent in all States except Michigan, where it is 3.0 percent. Rates above the standard were assigned in only 15 of the 42 experience-rating States in 1944.

rating States were eligible for rate modification in 1944, and rates were reduced for 85 percent of all rated accounts. Only 3 percent of all rated accounts had rates above the standard. In the 15 States which assigned rates above the standard, however, 9 percent of all rated accounts received higher than standard rates.

Before an employer is eligible for rate modification, certain requirements of the Federal Unemployment Tax Act must be met. These differ for States with different types of reserve funds. In some States, no em-

ployer can be a rated employer—i. e., eligible for rate modification—unless there is a record, covering at least 3 years, of his "experience" as an employer with the risk of unemployment. In States with another type of fund, an employer's account cannot be rated unless, for example, his individual reserve is at least five times the benefits paid from his account in the last 3 years and also equals 2.5 percent of his taxable pay roll for the last 3 years. In addition, some States make employer accounts ineligible

Table 3.—Percentage distribution of active accounts eligible for rate modification, by employer contribution rate¹ for each type of plan and State, 42 States, 1944

[Based on data reported by State agencies, corrected to Mar. 31, 1945]

Type of plan and State ²	Total number of active accounts ³	Active accounts eligible for rate modification											
		Number	Percent of all active accounts	All rates	Percentage distribution by employer contribution rate								
					Rate below standard ⁴					Stand-ard rate ⁵	Rate above standard ⁴		
					0.0	0.1-0.9	1.0-1.8	1.9-2.6 ⁶	Total		Total	2.75-3.6 ⁶	3.7-4.0
Total, 42 States.....	664,542	7 421,921	7 63.5	100.0	2.0	26.8	46.7	9.0	84.5	12.2	3.3	3.1	0.2
Reserve-ratio plan.....	295,375	207,245	70.2	100.0	3.9	26.6	35.1	11.1	76.7	21.1	2.2	2.1	.1
Arizona.....	4,226	2,653	62.8	100.0	—	—	44.9	26.6	71.5	22.0	6.5	6.5	—
Arkansas.....	18,143	9,572	52.8	100.0	—	—	51.8	28.0	79.8	20.2	—	—	—
California.....	50,616	32,147	63.5	100.0	—	—	32.7	18.1	50.8	49.2	—	—	—
Colorado.....	3,820	3,017	79.0	100.0	—	—	55.1	26.5	81.6	13.5	4.9	4.9	—
District of Columbia.....	15,920	10,684	67.1	100.0	—	—	88.7	2.2	91.6	8.4	—	—	—
Georgia.....	8,594	5,620	65.4	100.0	—	—	66.6	10.9	86.5	13.5	—	—	—
Hawaii.....	5,628	2,914	51.8	100.0	34.8	34.1	25.9	3.0	97.8	2.2	—	—	—
Idaho.....	7,928	6,850	86.4	100.0	—	—	7.9	39.9	47.8	52.2	—	—	—
Indiana.....	11,357	9,054	79.7	100.0	—	—	57.5	25.3	82.8	17.2	—	—	—
Iowa.....	7,498	5,809	77.5	100.0	—	—	54.7	28.0	82.7	11.1	6.2	6.2	—
Kansas.....	5,130	3,548	69.2	100.0	—	—	48.0	35.8	83.8	16.2	—	—	—
Kentucky.....	8,576	5,373	62.7	100.0	21.2	—	55.9	—	77.1	22.9	—	—	—
Maine.....	3,433	2,878	83.8	100.0	—	—	53.4	18.5	71.9	28.1	—	—	—
Missouri ⁸	13,398	8,859	66.1	100.0	9.2	51.3	24.1	—	84.6	9.9	5.5	5.5	—
Nebraska.....	4,073	3,279	80.5	100.0	—	—	55.1	14.6	74.4	15.6	—	—	—
New Hampshire.....	3,899	3,014	77.3	100.0	—	—	19.6	50.1	76.2	23.8	—	—	—
New Jersey.....	18,650	14,250	76.4	100.0	—	—	44.9	30.5	75.4	18.0	6.6	6.6	—
New Mexico.....	5,523	3,067	55.5	100.0	—	—	41.9	30.8	72.7	20.5	6.8	6.8	—
North Carolina.....	7,938	6,673	84.1	100.0	—	—	1.6	23.9	53.0	47.0	—	—	—
North Dakota.....	1,452	1,024	70.5	100.0	—	—	57.9	24.9	82.8	17.2	—	—	—
Ohio ⁸	50,245	30,778	73.2	100.0	—	41.7	44.1	10.1	95.9	1.8	2.3	2.3	—
Oregon.....	9,457	6,829	72.2	100.0	—	—	47.6	26.5	74.1	25.9	0	0	0
South Carolina.....	4,318	2,743	63.5	100.0	—	—	49.2	33.9	83.1	13.6	3.3	3.3	—
Tennessee.....	7,165	5,185	72.4	100.0	—	—	58.9	14.4	73.3	9.1	17.6	17.6	—
West Virginia.....	4,347	3,112	71.6	100.0	—	—	49.4	7.7	91.3	8.7	—	—	—
Wisconsin ⁸	14,041	12,313	87.7	100.0	41.6	—	33.6	—	75.2	21.5	3.3	1.1	2.2
Benefit-wage-ratio plan.....	285,581	157,092	55.0	100.0	—	28.3	61.3	5.1	94.7	2.8	2.5	2.5	0
Alabama ⁸	6,753	4,259	63.1	100.0	—	78.0	19.7	1.5	99.2	.8	—	—	—
Delaware.....	4,790	3,729	77.8	100.0	—	89.6	7.3	1.7	96.6	—	1.4	1.4	—
Illinois ⁸	39,717	23,714	59.7	100.0	—	42.4	29.5	11.9	83.8	—	16.2	16.2	—
Massachusetts.....	71,632	25,855	36.1	100.0	—	60.9	23.6	7.0	91.5	8.5	—	—	—
Oklahoma ⁸	6,514	4,710	72.3	100.0	—	44.6	36.7	10.1	91.4	8.6	—	—	—
Pennsylvania.....	129,491	75,667	58.4	100.0	—	—	95.0	3.1	98.1	1.9	—	—	—
Texas.....	18,264	12,825	70.2	100.0	—	77.6	18.1	2.1	97.8	2.2	—	—	—
Virginia.....	8,420	6,333	75.2	100.0	—	—	96.5	1.8	98.3	1.7	—	—	—
Benefit-ratio plan.....	67,020	45,757	68.3	100.0	—	28.2	46.6	10.5	85.3	2.5	12.2	11.0	1.2
Florida ⁸	7,493	4,556	60.9	100.0	—	—	79.4	5.1	84.5	15.5	—	—	—
Maryland ⁸	12,836	7 5,605	7 43.7	100.0	—	72.7	16.1	3.6	92.4	7.6	—	—	—
Michigan.....	18,047	13,886	76.9	100.0	—	—	87.8	6.7	94.5	—	5.5	1.6	3.9
Minnesota ⁸	24,650	19,206	77.9	100.0	—	45.9	14.9	16.3	77.1	—	22.9	22.9	—
Wyoming.....	4,004	2,504	62.5	100.0	—	—	60.9	12.6	82.5	—	17.5	17.5	—
Combined reserve-ratio and benefit-ratio plan.....	3,330	2,689	80.8	100.0	14.0	24.3	31.7	4.6	74.6	25.4	—	—	—
South Dakota.....	1,760	1,511	85.9	100.0	25.0	43.3	3.7	.3	72.3	27.7	—	—	—
Vermont.....	1,570	1,178	75.0	100.0	—	—	67.4	10.1	77.5	22.5	—	—	—
Compensable-separations plan: Connecticut.....	13,236	9,138	69.0	100.0	—	—	61.1	23.7	84.8	15.2	—	—	—

¹ Assigned for rate years beginning in 1944, as of computation date of 1944 rates. Contribution rates are stated as a percent of taxable pay roll.

² States classified by type of plan in effect as of computation date of 1944 rates.

³ Represents all rated and unrated accounts; excludes accounts newly subject subsequent to computation date of 1944 rates.

⁴ Standard rate is 2.7 percent in all States except Michigan, where it is 3.0 percent.

⁵ Includes accounts assigned 2.8 percent rate in Michigan. See footnote 4.

⁶ Excludes accounts assigned 2.8 percent rate in Michigan. See footnote 4.

⁷ Excludes 3,382 Maryland accounts assigned standard rate under war-risk provisions.

⁸ Data for these States do not include effect of war-risk contribution provisions. Excludes 1,980 accounts with insufficient experience to receive rate reduction, although such accounts were rated under provisions of Tennessee law.

for rate modification if there is any delinquency in payment of taxes.

Experience Rating, 1941-44

Experience rating has been operating in a period when the demands for unlimited war production have raised employment and pay rolls to unprecedented levels. While total collections during 1944 were near the all-time record, the reduction in revenue from experience-rating provisions (exclusive of the special war-risk provisions) was more than 10 times that in 1941, when 17 States modified rates, and more than twice as great as in 1942, when 34 States permitted employer rate reductions (table 2). The percentage reduction in revenue in the States with experience-rating provisions in effect more than doubled between 1941 and 1944; for all 51 States combined, the percentage reduction was 5 percent in 1941 and 35 percent in 1944.

The steady decline in the average employer contribution rate in experience-rating States is attributable primarily to the low volume of benefit payments during the war period. The many new war firms which started in business probably kept the decline from being even sharper. These firms frequently had large pay rolls subject to the standard 2.7-percent contribution rate, since they were not yet eligible for rate modification. On the other hand, some firms with greatly expanded wartime pay rolls paid contributions at rates which had been reduced because of their prewar experience.

In 1941 no experience-rating State had an average rate of less than 1.0 percent, but in 1944 four States (Delaware, the District of Columbia, Massachusetts, and South Dakota) had such averages. In 1941 almost two-thirds of the experience-rating States, but in 1944 only slightly more than one-third, had average rates of 2.0 percent or more. Estimated aver-

raged from 0.4 percent in the District of Columbia to 2.6 percent in Tennessee.

Rate Modification by State, 1944

Although almost two-thirds of all active employer accounts in the 42 States were eligible for rate modification for rate years starting in 1944, the proportion ranged from 36 percent in Massachusetts to 88 percent in Wisconsin (table 3).

Much of the variation among the States is the result of differences in industrial composition, in the average size of firm, and in the general provisions of the State laws; to a limited extent, it also is related to the size-of-firm coverage of State laws. All States which rated less than 60 percent of their employer accounts covered the small firms. Arkansas, Hawaii, Massachusetts, and Pennsylvania included firms with one or more employees; New Mexico, firms with two or more; and Maryland, firms with four or more workers. Among the States which rated at least 80 percent of their employer accounts, only Idaho covered firms with as few as one worker. Of the remaining States in this group, Wisconsin limited coverage to firms with at least six employees, while Indiana, Maine, Nebraska, North Carolina, and South Dakota limited coverage to firms of eight or more workers. On the other hand, States with the same size-of-firm provisions had widely differing proportions of rated accounts; for example, Florida and South Dakota both limited coverage to employers of eight or more workers, but only 61 percent of Florida's employers were eligible for rate modification while 86 percent of South Dakota's employers were rated.

The extremely low proportions of accounts eligible for rate modification in Maryland and Massachusetts cannot be attributed to the States' size-of-firm coverage. The Maryland figures are affected by the omission of employers who were subject to the State's special war-risk provision. Under that provision, employers whose pay rolls rose sharply during the war were taxed at the standard 2.7-percent rate; how many of those employers would have been eligible for rate modification in the absence of the war-risk provision unfortunately is not known. The Massachusetts figures are affected by a recent change in its law extending

coverage to small firms. At the beginning of 1943, firms employing one, two, and three workers were made subject to the unemployment compensation law for the first time; none of these newly subject employers has been covered long enough to qualify for rate modification.

Of the accounts eligible for rate modification, 85 percent received reduced rates while only 3 percent had rates above the standard. The proportion obtaining reductions ranged from 48 percent in Idaho to 99 percent in Alabama. In every State except Idaho, more than half the eligible employers received rate reductions; in 33 States, more than 75 percent; and in 13 States, more than 90 percent. In all but 9 States, each succeeding year has seen an increase in the proportion of rated employers with reduced rates.

The proportion of rated accounts to which higher than standard rates were assigned ranged from 1 percent in Delaware to 23 percent in Minnesota. These wide variations are due primarily to State differences in experience-rating provisions and in benefit-payment experience, and to some extent to the uneven impact of the war on the States' economies.

A greater proportion of employers obtained rate reductions under laws of the benefit-wage-ratio type (the "Cliffe plan") than under any other type of experience rating. Ninety-five percent of all employers eligible for reduced rates in the eight States with this type of plan obtained reductions; in each of these States, at least 84 percent received reduced rates, and in five of them, 98 percent or more.

Under the benefit-ratio plan used in five States, 85 percent of all rated accounts received rate reductions, and each State assigned rate reductions to more than 77 percent of its rated accounts. Connecticut, which uses a compensable-separations plan, gave reduced rates to 85 percent of all eligible employers.

In the 26 States with reserve-ratio plans, 77 percent of the rated employers obtained reduced rates; in all except 1 of these States, more than half the rated accounts got reduced rates. In 7 of the 25 States, reductions were given to between one-half and three-fourths of the eligible employers and in the other 18 States, to more than three-fourths. Under the combined reserve-ratio and bene-

Average employer contribution rate (percent)	Number of experience-rating States			
	1941	1942	1943	1944
All rates.....	17	34	40	42
Less than 1.0.....	0	1	1	4
1.0-1.4.....	2	1	8	8
1.5-1.9.....	4	18	14	15
2.0-2.4.....	8	12	14	14
2.5 or more.....	3	2	3	1

age State-wide contribution rates in experience-rating States in 1944

fit-ratio plan used in 2 States, 75 percent of the rated employers received reduced rates.

The high proportion of eligible employers receiving reduced rates in States with the benefit-wage-ratio and benefit-ratio types of experience rating demonstrates the relative ease with which employers can qualify for reduced rates under these plans during periods of low benefit payments. Under the benefit-wage-ratio plan the State-wide contributions in any year are designed, roughly, to replenish the State fund for the average annual amount of benefit disbursements during the 3 preceding years. In States using the benefit-ratio type of plan, employer contribution rates are modified in accordance with the employer's ratio of benefit charges to taxable wages for the preceding 3-year pe-

riod. Both plans relate the employer's tax rate directly to benefit payments; in States with benefit-ratio plans, eligible employers have a further advantage during periods of increasing pay rolls, since higher pay rolls would result in lower benefit ratios even if there were no decline in benefit charges.

Declining benefit payments and rising pay rolls have caused a steady decrease in employer contribution rates under both benefit-wage-ratio and benefit-ratio plans. In Alabama, Texas, and Virginia, which have had benefit-wage-ratio plans in effect since 1941, the combined average tax rate dropped about 33 percent between 1941 and 1944; the average rate declined steadily each successive year, from 1.74 percent in 1941 to approximately 1.2 percent in 1944. In

Minnesota, the only State with a benefit-ratio plan in effect since 1941, the average tax rate declined 22 percent, from 2.05 percent in 1941 to an estimated 1.6 percent in 1944. Throughout the period 1941-44, the average employer contribution rate decreased each successive year of the plan's operation in every State with a benefit-wage-ratio or benefit-ratio plan except Minnesota, where there was no significant change between 1943 and 1944.

Under the reserve-ratio type of experience-rating plan, on the other hand, tax rates tend to be less sensitive to changes in business conditions. The greater inherent stability of employer contribution rates under this plan results from the fact that an employer's rate is modified on the basis of the ratio of his reserve-ac-

Table 4.—Percentage distribution of active accounts eligible for rate modification, by employer contribution rate¹ and by industry division and significant major industry group, for rate years beginning in 1944, total 42 States

[Based on data reported by State agencies, corrected to Mar. 31, 1945]

Industrial classification	Total number of active accounts	Active accounts eligible for rate modification											
		Number	Percent of all active accounts	All rates	Percentage distribution by employer contribution rate ¹								
					Rate below standard ²					Standard rate ³	Rate above standard ³		
					0.0	0.1-0.9	1.0-1.8	1.9-2.6 ⁴	Total		Total	2.75-3.6 ⁴	3.7-4.0
Total, all industries.....	664,542	421,921	63.5	100.0	2.0	26.8	46.7	9.0	84.5	12.2	3.3	3.1	0.2
Mining.....	14,163	8,570	60.5	100.0	.7	19.2	42.2	9.9	72.0	19.3	8.7	8.3	.4
10 Metal mining.....	1,254	680	54.2	100.0	.6	7.8	23.1	14.1	45.6	47.5	6.9	6.2	.7
12 Bituminous and other soft-coal mining.....	4,180	2,003	47.9	100.0	.2	7.1	42.8	10.1	60.2	19.6	20.2	20.2	(⁶)
13 Crude-petroleum and natural-gas production.....	5,713	4,022	70.4	100.0	.5	20.2	45.6	8.2	83.5	13.0	3.5	3.2	.3
Construction.....	53,578	28,199	52.6	100.0	1.6	13.7	34.7	12.0	62.0	25.4	12.6	11.9	.7
15 Building construction—general contractors.....	13,317	7,483	56.2	100.0	1.6	11.4	31.5	13.0	57.5	30.9	11.6	10.9	.7
16 General contractors, other than building.....	7,142	3,970	55.6	100.0	.9	9.1	24.0	11.1	45.1	35.1	19.8	17.4	2.4
17 Construction—special trade contractors.....	33,119	16,746	50.6	100.0	1.7	15.8	38.8	11.7	68.0	20.7	11.3	11.0	.3
Manufacturing.....	107,304	76,523	71.3	100.0	1.8	24.6	45.6	10.4	82.4	14.0	3.6	3.4	.2
19 Ordnance and accessories.....	515	376	73.0	100.0	0	24.7	51.6	12.8	89.1	9.0	1.9	1.9	0
20 Food and kindred products.....	18,947	14,813	78.2	100.0	2.2	27.0	47.1	9.6	85.9	12.3	1.8	1.7	.1
22 Textile-mill products.....	4,898	3,940	80.4	100.0	.5	15.5	41.5	11.8	69.3	26.2	4.5	4.3	.2
24 Lumber and timber basic products.....	13,745	7,363	53.6	100.0	1.1	15.8	38.3	16.1	71.3	25.1	3.6	3.3	.3
26 Paper and allied products.....	2,145	1,801	84.0	100.0	2.4	30.5	51.9	4.6	91.4	7.4	1.2	1.0	.2
28 Chemicals and allied products.....	5,293	4,111	77.7	100.0	2.1	33.1	47.1	7.6	89.9	8.8	1.3	1.3	0
31 Leather and leather products.....	2,274	1,708	75.1	100.0	1.8	22.0	42.3	11.7	77.8	19.4	2.8	2.7	.1
33 Iron and steel and their products.....	7,221	5,642	78.1	100.0	1.5	24.8	54.3	10.4	91.0	6.9	2.1	1.8	.3
34 Transportation equipment (except automobiles).....	1,570	761	48.5	100.0	.9	17.1	49.0	15.0	82.0	16.0	2.0	1.9	.1
36 Electrical machinery.....	1,863	1,280	68.7	100.0	.9	24.4	49.6	13.6	88.5	9.0	2.5	2.4	.1
37 Machinery (except electrical).....	8,703	5,204	59.8	100.0	1.4	27.4	54.8	9.0	92.6	6.6	.8	.8	(⁶)
38 Automobiles and automobile equipment.....	813	657	80.8	100.0	1.8	15.2	54.7	12.8	84.5	12.6	2.9	1.5	1.4
Transportation, communication, and other public utilities.....	27,125	17,309	63.8	100.0	1.4	27.7	49.2	9.1	87.4	10.6	2.0	1.9	.1
Wholesale and retail trade.....	283,703	181,592	64.0	100.0	2.3	28.7	48.3	8.6	87.9	10.1	2.0	1.9	.1
50 Full-service and limited-function wholesalers.....	35,804	26,012	72.7	100.0	2.7	34.7	47.9	7.0	92.3	6.5	1.2	1.1	.1
51 Wholesale distributors, other than full-service and limited-function wholesalers.....	33,665	25,476	75.7	100.0	2.7	39.4	43.7	5.7	91.5	7.3	1.2	1.0	.2
52 Wholesale and retail trade combined, not elsewhere classified.....	15,241	12,291	80.6	100.0	2.7	31.6	50.7	7.0	92.0	6.4	1.6	1.4	.2
53 Retail general merchandise.....	13,386	9,656	72.1	100.0	2.4	25.2	49.9	10.4	87.9	10.9	1.2	1.2	(⁶)
Finance, insurance, and real estate.....	51,745	35,320	68.3	100.0	2.8	36.8	47.1	5.6	92.3	6.2	1.5	1.4	.1
Service.....	121,838	71,842	59.0	100.0	1.6	25.8	48.2	8.9	84.5	12.3	3.2	2.9	.3
Miscellaneous ⁶	5,086	2,566	50.5	100.0	1.6	15.9	38.3	11.5	67.3	24.9	7.8	6.7	1.3

¹ Assigned for rate years beginning in 1944, as of computation date of 1944 rates. Contribution rates are stated as a percent of taxable pay roll.

² Standard rate is 2.7 percent in all States except Michigan, where it is 3.0 percent.

³ Includes Michigan accounts assigned 2.8 percent rate. See footnote 2.

⁴ Excludes Michigan accounts assigned 2.8 percent rate. See footnote 2.

⁵ Less than 0.05 percent.

⁶ Represents industry division agriculture, forestry, and fishing, and establishments not elsewhere classified.

Table 5.—Percent of rated experience-rating accounts assigned employer contribution rates¹ below and above standard rate² for rate years beginning in 1944, by industry division and selected major industry group, 42 States, as of computation date of 1944 rates

[Based on data reported by State agencies, corrected to Mar. 31, 1945]

Industrial classification	Percent of accounts with rates below and above standard rate ²															
	Total, 42 States		Ariz.		Colo.		Del.		Ill.		Iowa		Mich. ³		Minn.	
	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above
Total, all industries.....	84.5	3.3	71.5	6.5	81.7	4.9	98.6	1.4	83.8	10.2	82.6	6.2	94.5	5.5	77.1	22.9
Mining.....	72.0	8.7	35.9	25.6	37.3	26.1	(⁴)	(⁴)	36.0	64.0	13.9	54.2	79.0	21.0	59.7	40.3
10 Metal mining.....	45.6	6.9	33.8	30.8	39.0	17.1	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	81.5	18.5	81.6	18.4
12 Bituminous and other soft-coal mining.....	60.2	20.2	(⁴)	(⁴)	12.9	41.4	(⁴)	(⁴)	18.3	81.7	11.1	63.6	(⁴)	(⁴)	(⁴)	(⁴)
13 Crude-petroleum and natural-gas production.....	83.5	3.5	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	44.8	55.2	(⁴)	(⁴)	82.4	17.6	(⁴)	(⁴)
Construction.....	62.0	12.6	43.3	17.8	41.9	27.1	93.7	6.3	42.5	57.5	23.8	43.6	81.0	19.0	23.1	76.9
15 Building construction—general contractors.....	57.5	11.6	42.1	19.3	34.5	27.6	94.8	5.2	44.7	55.3	9.5	43.1	78.5	21.5	15.6	84.4
16 General contractors, other than building.....	45.1	19.8	17.1	34.1	19.4	41.7	93.3	6.7	28.1	71.9	7.7	70.1	60.2	39.8	10.3	89.7
17 Construction—special trade contractors.....	68.0	11.3	57.3	8.5	57.8	18.8	93.4	6.6	44.6	55.4	44.0	26.3	87.5	12.5	29.0	71.0
Manufacturing.....	82.4	3.6	75.9	5.4	81.1	3.6	99.7	.3	84.7	15.3	84.5	3.0	94.4	5.6	79.7	20.3
19 Ordnance and accessories.....	89.1	1.9	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
20 Food and kindred products.....	85.9	1.8	79.2	5.6	85.1	1.4	100.0	0	90.7	9.3	86.3	1.6	98.3	1.7	88.2	11.8
22 Textile-mill products.....	69.3	4.5	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	86.0	14.0	(⁴)	(⁴)	77.3	22.7	70.4	29.6
24 Lumber and timber basic products.....	71.3	3.6	(⁴)	(⁴)	(⁴)	(⁴)	100.0	0	83.7	16.3	83.3	11.1	80.2	19.8	82.3	47.7
26 Paper and allied products.....	91.4	1.2	0	0	(⁴)	(⁴)	(⁴)	(⁴)	94.5	5.5	(⁴)	(⁴)	93.6	6.4	85.0	15.0
28 Chemicals and allied products.....	89.9	1.3	(⁴)	(⁴)	(⁴)	(⁴)	100.0	0	97.2	2.8	88.7	1.9	99.3	.7	91.1	8.9
31 Leather and leather products.....	77.8	2.8	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	84.2	15.8	(⁴)	(⁴)	93.1	6.9	(⁴)	(⁴)
33 Iron and steel and their products.....	91.0	2.1	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	93.4	6.6	87.5	0	94.2	5.8	90.4	9.6
34 Transportation equipment (except automobiles).....	82.0	2.0	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	87.3	12.7	(⁴)	(⁴)	92.9	7.1	(⁴)	(⁴)
36 Electrical machinery.....	88.5	2.5	0	0	(⁴)	(⁴)	(⁴)	(⁴)	89.1	10.9	(⁴)	(⁴)	100.0	0	91.9	8.1
37 Machinery (except electrical).....	92.6	.8	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	96.2	3.8	89.8	1.1	99.4	.6	95.2	4.8
38 Automobiles and automobile equipment.....	84.5	2.9	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	94.7	5.3	(⁴)	(⁴)	91.9	8.1	(⁴)	(⁴)
Transportation, communication, and other public utilities.....	87.4	2.0	68.6	9.3	82.9	6.2	96.8	3.2	92.9	7.1	95.6	1.0	95.9	4.1	80.9	19.1
Wholesale and retail trade.....	87.9	2.0	74.7	4.8	88.0	1.3	98.9	1.1	91.0	9.0	90.7	.9	97.3	2.7	80.2	19.8
50 Full-service and limited-function wholesalers.....	92.3	1.2	86.0	3.7	94.4	.5	100.0	0	95.0	5.0	91.1	1.0	98.2	1.8	86.3	13.7
51 Wholesale distributors, other than full-service and limited-function wholesalers.....	91.5	1.2	89.3	4.4	92.2	1.1	96.2	3.8	96.8	3.2	89.6	1.0	97.6	2.4	91.0	9.0
52 Wholesale and retail trade combined, not elsewhere classified.....	92.0	1.6	91.8	1.4	91.9	1.8	100.0	0	92.1	7.9	93.3	1.1	97.0	3.0	85.7	14.3
53 Retail general merchandise.....	87.9	1.2	73.1	1.0	85.7	3.6	100.0	0	92.6	7.4	97.8	0	98.2	1.8	87.4	12.6
Finance, insurance, and real estate.....	92.3	1.5	92.6	3.4	95.3	.3	99.6	.4	91.7	8.3	94.5	.4	97.8	2.2	88.3	11.7
Service.....	84.5	3.2	71.7	5.0	77.9	7.0	99.3	.7	84.3	15.7	83.0	6.6	92.2	7.8	82.3	17.7
Miscellaneous ⁴	67.3	7.8	67.0	3.6	(⁴)	(⁴)	100.0	0	77.3	22.7	69.2	7.7	73.6	26.4	57.9	42.1
Industrial classification	Mo.		N. J.		N. Mex.		Ohio		S. C.		Tenn. ³		Wis.		Wyo.	
	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above
Total, all industries.....	84.6	5.5	75.3	6.6	72.7	6.8	95.9	2.3	83.2	3.3	73.3	17.6	75.2	3.3	82.5	17.5
Mining.....	36.7	42.7	83.3	2.8	59.2	14.1	78.6	15.9	(⁴)	(⁴)	44.9	43.9	49.4	12.0	69.5	30.5
10.....	(⁴)	(⁴)	(⁴)	(⁴)	60.7	7.1	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
12.....	14.9	73.1	(⁴)	(⁴)	(⁴)	(⁴)	61.4	28.4	(⁴)	(⁴)	41.5	47.2	(⁴)	(⁴)	37.1	62.9
13.....	(⁴)	(⁴)	(⁴)	(⁴)	63.8	10.5	87.8	9.4	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	88.2	11.8
Construction.....	35.0	34.2	44.1	16.5	41.1	23.2	84.0	10.1	38.6	13.9	44.9	44.5	46.4	11.7	53.2	46.8
15.....	24.8	41.3	37.2	11.9	38.3	20.0	88.0	6.9	32.4	15.5	37.2	52.3	38.3	9.9	57.6	42.4
16.....	18.6	50.5	33.8	20.4	28.2	35.9	71.6	18.5	13.7	15.7	30.2	58.7	21.7	28.7	29.6	70.4
17.....	45.1	25.4	50.1	17.3	48.8	19.8	84.4	10.0	60.0	11.3	55.9	33.6	61.1	5.7	60.9	39.1
Manufacturing.....	86.1	2.9	69.1	9.5	68.0	10.5	97.3	1.8	79.7	4.2	57.5	30.2	73.0	1.7	86.1	13.9
19.....	(⁴)	(⁴)	69.7	3.0	(⁴)	(⁴)	100.0	0	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
20.....	90.7	1.3	87.3	2.2	75.4	2.9	97.5	1.3	91.9	0	74.7	17.1	72.0	1.1	87.8	12.2
22.....	(⁴)	(⁴)	49.6	13.4	(⁴)	(⁴)	93.3	3.4	74.8	3.0	26.2	58.3	66.2	1.5	(⁴)	(⁴)
24.....	72.0	9.8	91.2	0	45.2	28.6	96.9	1.9	80.3	5.0	45.7	39.6	75.0	2.3	66.7	33.3
26.....	96.6	0	90.8	0	(⁴)	(⁴)	100.0	0	(⁴)	(⁴)	(⁴)	(⁴)	88.0	0	(⁴)	(⁴)
28.....	95.6	1.3	94.1	.8	(⁴)	(⁴)	99.5	.3	59.6	8.5	66.2	23.1	80.4	2.2	(⁴)	(⁴)
31.....	57.1	1.8	58.7	9.8	(⁴)	(⁴)	96.6	2.2	(⁴)	(⁴)	(⁴)	(⁴)	74.7	1.0	(⁴)	(⁴)
33.....	89.3	1.3	90.8	.7	(⁴)	(⁴)	99.2	.7	(⁴)	(⁴)	63.5	28.4	73.5	.4	(⁴)	(⁴)
34.....	(⁴)	(⁴)	74.4	0	(⁴)	(⁴)	100.0	0	(⁴)	(⁴)	(⁴)	(⁴)	55.2	0	0	0
36.....	91.9	2.7	79.4	1.4	(⁴)	(⁴)	99.3	0	(⁴)	(⁴)	(⁴)	(⁴)	52.6	1.8	(⁴)	(⁴)
37.....	91.8	.9	90.9	.8	(⁴)	(⁴)	100.0	0	(⁴)	(⁴)	(⁴)	(⁴)	63.3	1.3	(⁴)	(⁴)
38.....	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	98.5	1.5	(⁴)	(⁴)	(⁴)	(⁴)	51.4	2.7	(⁴)	(⁴)
Transportation, communication, and other public utilities.....	88.5	4.1	88.1	1.4	77.6	3.3	98.0	.9	71.4	4.5	74.5	13.7	73.4	2.3	85.0	15.0
Wholesale and retail trade.....	90.8	2.0	86.7	2.1	77.7	4.2	97.1	1.2	91.2	1.3	83.3	9.6	81.8	1.4	85.1	14.9
50.....	94.4	1.4	94.1	1.0	83.6	1.6	99.0	.6	91.0	3.4	89.2	5.7	88.9	1.3	89.0	11.0
51.....	95.1	.9	92.8	1.6	93.3	1.8	99.0	.7	91.8	3.2	90.5	4.6	80.0	3.1	94.4	5.6
52.....	89.8	3.2	96.4	.2	90.9	.9	98.6	.4	86.6	0	81.3	11.9	86.1	.5	96.6	3.4
53.....	93.6	.5	90.1	1.2	80.3	4.9	98.1	.5	90.3	0	79.0	10.8	85.7	0	86.8	13.2
Finance, insurance, and real estate.....	93.6	1.7	91.0	2.2	89.2	2.7	98.9	.7	99.0	0	95.0	2.5	92.8	1.1	94.6	5.4
Service.....	82.7	7.2	72.5	7.0	71.3	6.0	96.0	2.1	88.5	2.2	73.1	13.1	73.3	5.9	81.1	18.9
Miscellaneous ⁴	48.1	18.5	46.0	31.0	43.2	16.2	81.9	13.4	(⁴)	(⁴)	(⁴)	(⁴)	63.2	9.5	(⁴)	(⁴)

See footnotes on next page.

count balance to his pay roll. In the first place, the employer's reserve account reflects his full cumulative

"experience," in contrast to the limited period used to measure "experience" under the benefit-wage-ratio

Table 5.—Percent of rated experience-rating accounts assigned employer contribution rates¹ below and above standard rate² for rate years beginning in 1944, by industry division and selected major industry group, 42 States, as of computation date of 1944 rates—Continued

Industrial classification	Percent of rated accounts with rates below standard rate ³												
	Ala.	Ark.	Calif.	Conn.	D.C.	Fla.	Ga.	Hawaii	Idaho	Ind.	Kans.	Ky.	Maine
Total, all industries.....	99.2	79.8	50.8	54.8	91.6	84.5	86.5	97.8	47.8	82.8	83.8	77.1	71.9
Mining.....	99.0	59.6	46.4	66.7	—	82.9	82.0	(⁴)	30.0	56.9	63.0	55.7	(⁵)
10.....	(⁶)	(⁶)	21.6	(⁶)	—	0	(⁶)	—	31.0	(⁶)	(⁶)	(⁶)	(⁶)
12.....	98.6	(⁶)	(⁶)	(⁶)	—	—	(⁶)	—	—	42.6	23.1	49.4	(⁶)
13.....	(⁶)	73.3	57.1	—	—	0	—	—	—	74.4	69.4	74.3	(⁶)
Construction.....	95.0	58.9	36.8	53.9	—	84.4	73.8	58.0	96.2	22.2	43.0	29.7	38.7
15.....	93.2	43.9	27.4	48.2	—	91.8	50.9	53.1	94.6	19.0	34.8	18.2	41.3
16.....	93.3	39.5	25.5	29.5	—	90.0	84.2	48.1	(⁶)	17.3	21.9	12.9	30.0
17.....	97.0	72.4	43.8	61.9	—	82.3	83.3	66.7	98.7	26.8	53.3	61.4	40.2
Manufacturing.....	99.0	73.7	54.4	83.6	—	96.2	81.5	81.2	97.9	39.7	80.0	83.9	62.5
19.....	(⁶)	0	(⁶)	(⁶)	—	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)
20.....	99.0	69.6	47.1	91.7	—	93.8	82.2	87.2	99.2	60.8	87.7	84.2	55.2
22.....	100.0	(⁶)	21.3	63.8	(⁶)	(⁶)	78.9	0	(⁶)	(⁶)	(⁶)	76.1	50.0
24.....	99.7	72.6	36.5	(⁶)	(⁶)	85.8	84.5	(⁶)	12.2	69.5	91.7	49.1	55.0
26.....	(⁶)	(⁶)	59.8	82.8	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	90.6	(⁶)	(⁶)	89.7
28.....	100.0	45.9	67.5	93.8	(⁶)	85.7	74.2	(⁶)	(⁶)	93.6	91.9	83.0	(⁶)
31.....	(⁶)	0	54.1	81.8	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	58.6
33.....	100.0	(⁶)	73.9	94.5	(⁶)	(⁶)	95.0	(⁶)	(⁶)	69.2	(⁶)	70.6	77.8
34.....	(⁶)	(⁶)	79.3	84.6	(⁶)	92.6	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)
36.....	(⁶)	(⁶)	75.6	94.2	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	78.3	(⁶)	(⁶)	(⁶)
37.....	(⁶)	(⁶)	79.4	98.2	(⁶)	(⁶)	93.8	(⁶)	(⁶)	81.7	(⁶)	75.7	(⁶)
38.....	(⁶)	(⁶)	70.6	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	54.7	(⁶)	(⁶)	(⁶)
Transportation, communication, and other public utilities.....	99.4	77.6	62.5	92.9	95.5	86.4	87.4	99.1	44.3	85.1	90.6	62.1	83.1
Wholesale and retail trade.....	99.6	81.5	49.7	90.0	92.5	87.0	92.2	98.1	49.4	87.7	90.6	80.8	82.9
50.....	99.0	87.6	69.7	93.6	95.0	95.4	88.7	99.1	57.0	90.7	93.8	87.4	83.1
51.....	99.0	88.8	64.4	96.0	98.0	80.2	94.8	98.1	59.1	93.4	92.2	87.8	86.5
52.....	100.0	83.1	67.7	92.2	92.4	91.2	89.0	100.0	67.7	91.9	94.3	84.8	80.6
53.....	100.0	79.6	43.6	89.8	88.2	87.4	90.0	98.9	55.6	93.0	92.4	78.4	90.9
Finance, insurance, and real estate.....	100.0	91.7	64.2	93.9	93.0	91.9	96.2	98.8	72.3	95.6	95.0	87.4	77.0
Service.....	100.0	80.5	48.7	90.9	81.3	88.2	96.9	98.5	82.2	87.4	79.1	63.8	(⁶)
Miscellaneous ⁴	(⁶)	55.1	41.9	64.2	94.4	87.1	(⁶)	(⁶)	38.9	(⁶)	(⁶)	(⁶)	(⁶)
	Md. ⁴	Mass.	Nebr.	N. H.	N. C.	N. Dak.	Okl.	Oreg.	Pa.	S. Dak.	Tex.	Vt.	W. Va.
Total, all industries.....	92.4	91.5	84.4	76.2	53.0	82.8	91.4	74.1	93.1	72.3	97.8	77.5	91.3
Mining.....	65.2	88.2	(⁶)	(⁶)	19.1	(⁶)	79.5	51.4	96.1	36.7	93.2	(⁶)	83.5
10.....	(⁶)	(⁶)	(⁶)	(⁶)	—	(⁶)	89.5	(⁶)	(⁶)	(⁶)	0	(⁶)	(⁶)
12.....	(⁶)	(⁶)	(⁶)	(⁶)	0	(⁶)	29.3	(⁶)	95.3	(⁶)	(⁶)	(⁶)	82.5
13.....	(⁶)	(⁶)	(⁶)	(⁶)	—	(⁶)	82.5	0	90.0	(⁶)	93.1	(⁶)	86.3
Construction.....	88.9	75.2	30.8	35.1	40.0	14.1	75.8	45.8	92.7	14.9	96.4	22.2	95.6
15.....	90.8	75.1	18.2	29.6	37.7	(⁶)	69.6	40.4	93.7	15.4	95.6	20.0	96.9
16.....	84.0	77.3	18.2	36.4	13.1	6.5	75.8	25.9	93.4	9.5	96.3	(⁶)	98.0
17.....	88.8	75.0	52.6	39.0	49.1	(⁶)	80.3	55.3	92.4	21.2	97.3	(⁶)	94.3
Manufacturing.....	90.1	90.8	84.7	71.6	42.0	89.5	92.8	64.7	98.6	77.6	98.0	68.8	84.9
19.....	(⁶)	100.0	0	(⁶)	(⁶)	(⁶)	0	100.0	(⁶)	0	(⁶)	0	0
20.....	93.1	94.3	86.1	83.0	59.8	90.9	94.1	78.0	99.3	76.9	98.8	78.3	95.9
22.....	80.0	96.2	(⁶)	39.7	24.5	0	(⁶)	(⁶)	97.9	100.0	(⁶)	97.4	(⁶)
24.....	98.5	95.0	(⁶)	71.9	41.7	(⁶)	90.9	44.2	99.3	(⁶)	96.1	79.4	99.6
26.....	92.0	99.1	(⁶)	96.0	36.7	(⁶)	(⁶)	(⁶)	99.6	(⁶)	(⁶)	(⁶)	97.1
28.....	100.0	97.5	85.7	(⁶)	35.2	(⁶)	87.2	83.3	98.8	(⁶)	94.3	(⁶)	100.0
31.....	(⁶)	80.2	(⁶)	48.6	(⁶)	(⁶)	(⁶)	100.0	(⁶)	(⁶)	(⁶)	(⁶)	100.0
33.....	92.7	98.4	(⁶)	(⁶)	76.0	0	90.5	84.6	99.5	(⁶)	97.8	(⁶)	97.5
34.....	(⁶)	92.6	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	100.0	(⁶)	(⁶)	(⁶)	100.0
36.....	0	100.0	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)
37.....	(⁶)	99.8	(⁶)	90.9	66.1	(⁶)	95.9	85.1	99.8	(⁶)	100.0	70.4	100.0
38.....	(⁶)	(⁶)	(⁶)	0	(⁶)	(⁶)	(⁶)	(⁶)	100.0	(⁶)	(⁶)	(⁶)	(⁶)
Transportation, communication, and other public utilities.....	92.6	95.4	92.8	89.3	50.4	87.5	92.5	79.1	99.0	77.4	95.9	82.2	95.6
Wholesale and retail trade.....	93.3	94.2	87.5	85.2	64.2	88.3	95.4	80.8	98.7	75.4	99.1	89.8	98.8
50.....	88.8	96.5	94.5	89.8	64.6	93.5	96.8	90.9	99.5	84.9	99.0	95.5	99.6
51.....	96.9	97.2	91.7	87.1	74.5	85.4	97.2	91.4	98.9	64.3	97.9	90.6	98.3
52.....	95.0	95.4	92.2	93.1	57.6	95.0	97.7	88.8	99.3	87.5	98.9	92.0	97.8
53.....	93.0	93.1	100.0	88.7	55.3	97.6	97.1	79.2	98.3	84.0	99.0	91.4	98.0
Finance, insurance, and real estate.....	98.6	95.4	94.5	96.9	75.3	98.8	95.1	91.0	98.3	87.0	98.0	96.9	98.0
Service.....	90.4	89.9	83.0	69.7	47.1	85.3	93.2	77.0	98.1	79.3	98.2	68.7	91.1
Miscellaneous ⁴	97.2	69.2	(⁶)	(⁶)	(⁶)	(⁶)	58.7	75.0	96.4	(⁶)	93.9	(⁶)	86.2

¹ Contribution rates are stated as a percent of taxable pay roll; effects of war-risk provisions excluded.

² Standard rate 2.7 percent in all States except Michigan, where it is 3.0 percent.

³ Based on data which exclude 1,980 employers with insufficient experience to be eligible for rate reduction. These accounts were rated, however, and were assigned either standard or increased rate.

⁴ Excludes 3,382 accounts affected by war-risk provisions of State law. No data available on "normal" contribution rates which would have been assigned had war-risk provisions not been in effect.

⁵ Not computed; less than 25 rated accounts.

⁶ Represents industry division agriculture, forestry, and fishing, and establishments not elsewhere classified.

and benefit-ratio plans. The reserve-ratio plan, unlike the others, minimizes the effect of short-run changes in the volume of benefit payments. Moreover, to the extent that changes in the volume of benefit payments affect employer tax rates, those changes are combined with pay rolls in such a way that their usually opposite trends tend to offset each other.

While there was a downward trend during 1941-44 in the average employer tax rates in the 10 States⁴ with reserve-ratio plans in effect throughout those years, the decline was less pronounced than in States with other types of experience-rating plans. Although the combined average tax rate for these 10 States shows a slight decline in each successive year, the average rate for the group decreased only 15 percent, from 2.31 percent in 1941 to approximately 2.0 percent in 1944. In Indiana, Nebraska, and Wisconsin, the averages actually increased from 1942 to 1943. In the latter 2 States, the increases were relatively large and may be attributed in part to the use of the last year's pay roll for most employers as an alternative "reserve percentage divisor."⁵

If there is any sizable unemployment during the postwar years, with resulting declines in pay roll and increases in benefit payments, the average tax rates under the benefit-wage-ratio and benefit-ratio plans will quickly be forced upward. Under similar conditions, average tax rates in the reserve-ratio States, if they rise at all, may be expected to do so moderately and gradually.

While some of the experience-rating plans now in effect may achieve relative stability of rates under

⁴ California, Hawaii, Indiana, Kansas, Kentucky, Nebraska, New Hampshire, Oregon, West Virginia, Wisconsin.

⁵ In Nebraska modified rates for 1944 were based on the ratio of an employer's reserve balance at the beginning of 1944, less the highest annual amount of benefits paid during any calendar year from 1941 through 1943, to whichever was the higher of (1) the employer's average annual pay roll for the 3 years or (2) the 1943 annual pay roll. In Wisconsin an employer's reserve percentage was based on the ratio of his reserve balance to the highest of the following amounts: (1) his pay roll for the year ending on the computation date, or (2) his average annual pay roll for the 3 years ending on such date, or (3) 60 percent of his largest pay roll for any 1 of those 3 years. Most other reserve-ratio plans use only the average or the total pay roll of the last 3 or 5 years.

changing economic conditions, none are so constructed as to ensure that tax rates will rise with rising pay rolls and decline with declining pay rolls.

Rate Modification by Industry, 1944

Because of the considerable variation in the individual State experience-rating plans, geographic location frequently plays a larger part in determining an individual employer's rate than his industrial activity. Nevertheless, employers in certain industries generally have a much better chance than those in others to obtain tax reductions; conversely, employers in some lines of business are much more likely to be taxed at standard rates or above. The general relationships between rate modification and industry may be seen in table 4, which contains data for employers in all experience-rating States.

A higher proportion of employers in manufacturing (71 percent) than in any other industry division was eligible for rate modification in 1944. Among employers determined eligible, however, the highest proportion with rate reductions was in the finance, insurance, and real-estate division (92 percent). Employers in this division also had rates above the standard less frequently than employers in others. Except for the miscellaneous group, construction firms were eligible for rate modification least frequently (53 percent). Even when rated, they received relatively fewer reductions (62 percent) than any other group.

Bituminous and other soft-coal mining firms and general contractors, other than building, fared least well. In the first major industry group slightly less than half, and in the other slightly more than half, of all employers were rated; of those rated, as many as one-fifth got rates above the standard.

In all industry divisions and in all but two of the major industry groups shown, the tax rates most frequently assigned were between 1.0 and 1.8 percent. The exceptions are the major groups of metal mining and general contractors, other than building, in which employers received the standard rate most frequently.

More than one-third of all rated employers in finance, insurance, and real estate and more than one-fourth of all in manufacturing, in transportation, communication, and other public utilities, in trade, and in serv-

ice received rates below 1.0 percent. In every major industry group shown except ordnance and accessories, some employers were excused entirely from State taxation for unemployment compensation purposes. At the same time, some employers in every industry shown had rates above the standard.

Recently New York adopted an experience-rating plan which embodies, among other more important factors, the principle that there is a direct relationship between the age of a firm and the amount of unemployment of its workers. Unfortunately, practically no data are available for testing this relationship. The figures in table 4, however, throw some light on the subject, although they are sharply limited because they reflect the peculiar effects of the wartime economy and because experience-rating indexes are an inadequate measure of the real incidence of unemployment.

That some relationship between firm stability and employment stability does exist is indicated by the experience of the construction division, which had the smallest proportion of employers rated and the smallest proportion with reduced rates (exclusive of the miscellaneous group). At the other extreme, the paper and allied-products industry had the highest proportion of rated accounts (84 percent) and close to the highest proportion of rated accounts with reduced rates (91 percent).

On the other hand, whereas the manufacturing division had the highest proportion of firms with sufficient experience to qualify for rate modification, four other industry divisions had relatively more firms whose experience entitled them to rate reductions. These were the divisions of transportation, communication, and other public utilities; wholesale and retail trade; finance, insurance, and real estate; and service. And in major industry group 34 (manufacture of transportation equipment, except automobiles), for example, less than half the firms were eligible for rate modification, but more than four-fifths of those eligible received reduced rates. An important reason for this difference is the inclusion in this major industry group of many war-created aircraft and shipbuilding firms that have not been in existence long enough to qualify for rate modifications under State laws. In each of the major industry groups 23,

38, and 52 (manufacture of textile-mill products; manufacture of automobiles and automobile equipment; and combined wholesale-retail trade establishments, respectively) about 80 percent of all employers were rated; but in major group 22, only 69 percent of the rated employers received reduced rates, while in group 38 the proportion was 84 percent, and in group 52, 92 percent.

This lack of regularity between proportions of accounts eligible for rate modification and proportions receiving rate reductions indicates that the relationship between firm stability and employment stability is, at best, relatively weak.

Rate Modification by State and Industry, 1944

The data on rate modifications by State and industry (table 5) reflect the pervasive effect of the war on the Nation's economy. Elimination of all but an almost negligible amount of unemployment during the war has enabled employers in all industries and areas to build up favorable experience-rating records. In State after State and industry after industry, higher proportions of rated accounts than ever before received reduced rates in 1944.

Despite this general trend, however, basic differences among industries and State laws are still reflected in the data. As in prior years, the finance, insurance, and real-estate industry division led all others in the proportion of rated accounts allowed lower tax rates in the great majority of States.⁶ This division had the highest proportion of rate reductions in 30 of the 42 experience-rating States; it was tied for highest in 3 States; in 5 States it had the second highest proportion; in 3 States, the third highest; and in 2 States, the fourth highest.

Employers engaged in wholesale and retail trade generally had the second best chance of getting reduced rates. In 2 States they had the best chance; in 21, the second best; and in 13, third best. The construction industry fared least favorably in 30 States; it was tied for last place in 1 State, and it was next to last in 10 States and second from last in one. In 11 States where construction employers did not have the smallest pro-

⁶ Miscellaneous industry division not considered in rankings in this and following paragraph.

portion of rate reductions, mining firms did.

Differences among State laws, rather than in employment conditions, underlie the extreme variations within the same industry divisions as we move across State lines. In mining, 99 percent of Alabama's rated employers but only 19 percent of North Carolina's received reduced rates; in construction, 96 percent of Texas' rated employers but merely 14 percent of North Dakota's were entitled to below-standard rates; in manufacturing, the range was from almost 100 percent for Delaware to 40 percent for Idaho; in transportation, communication, and other public utilities, from 100 percent for Virginia to 44 percent for Idaho; in trade, from almost 100 percent for Alabama to 50 percent for Idaho; in finance, insurance, and real estate, from 100 percent in Alabama and Virginia to 64 percent in California; and in service, from 100 percent in Alabama to 47 percent in North Carolina.

Alabama, Delaware, Pennsylvania, and Virginia—with the highest proportions of rated employers assigned reduced rates—are all benefit-wage-ratio States. Arizona, California, Idaho, Maine, and North Carolina—with the lowest proportions—are all reserve-ratio States. This factor, plus the specific provisions of the ex-

perience-rating plans in these States, accounts for the different treatment accorded employers whose actual experience with the risk of unemployment probably differs relatively little.

Only 15 States assigned rates above the standard during 1944. The proportion of rated employers subject to penalty rates was generally small in those States—reaching a maximum of 23 percent in Minnesota and exceeding 10 percent in only 3 others—Illinois, Tennessee, and Wyoming. In some industry divisions, however, relatively large numbers of employers received above-standard rates. Seventy-seven percent of Minnesota's and 58 percent of Illinois' rated construction firms and 64 percent of Illinois' and 54 percent of Iowa's rated mining firms got penalty rates. Penalty rates were even more frequent in some major industry groups. In Illinois, 82 percent of the rated firms engaged in bituminous and other soft-coal mining, and in Minnesota 84 percent of the rated general contractors in building construction and 90 percent of the rated general contractors in other construction had to pay taxes at above-standard rates.

Rate Modification by Size of Pay Roll, 1944

Twenty-one States submitted data

for 1944 indicating the effects of experience-rating on firms of different sizes. Eighty-two percent of all rated accounts in these States received reduced rates, and only 3.2 percent had rates above 2.7 percent (table 6). For the 21 States combined, the proportion of accounts with reduced rates was greater among the large firms than among the small ones. Rate reductions went to 78 percent of all rated accounts with average annual pay rolls of less than \$5,000, to 84 percent of those with annual pay rolls between \$10,000 and \$20,000, and to almost 90 percent of those with pay rolls of \$1 million or more. This general pattern was repeated in about half the 21 States.

The data show an inverse relationship between the proportion of rated accounts with rates above 2.7 percent and the size of the average annual pay roll. The proportion with penalty rates decreased as size of firm increased; 7 percent of the rated accounts with average pay rolls of less than \$5,000, but only 0.6 percent of those in the \$1 million class, received rates above 2.7 percent.

Only 1.4 percent of all rated employers in Delaware received rates above 2.7 percent, and 98.6 percent of all such employers received tax reductions. At least 98 percent of the rated Delaware employers in every size class received reductions, and all

Table 6.—Percent of rated experience-rating accounts assigned employer contribution rates below and above 2.7 percent,¹ for rate years beginning in 1944, by average annual pay roll, 21 States,² as of computation date of 1944 rates

[Based on data reported by State agencies, corrected to Mar. 31, 1945]

State	Percent of rated accounts with rates below and above 2.7 percent by average annual pay roll															
	All rated accounts		Less than \$5,000		\$5,000-9,999		\$10,000-19,999		\$20,000-49,999		\$50,000-99,999		\$100,000-999,999		\$1,000,000 or more	
	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above	Below	Above
Total, 21 States.....	81.6	3.2	77.6	6.9	78.9	2.6	83.5	1.9	85.3	1.6	85.7	1.5	85.6	1.2	89.5	0.6
Arizona.....	71.5	6.5	65.0	9.5	72.2	4.5	77.7	1.1	81.3	3.4	83.3	1.5	74.4	3.4	88.9	0
Colorado.....	81.7	4.9	80.6	8.9	81.3	3.1	81.5	3.2	84.2	4.7	87.4	3.5	70.7	7.6	81.8	0
Delaware.....	98.6	1.4	98.0	2.0	99.6	.4	99.8	.2	99.6	.4	100.0	0	100.0	0	100.0	0
Michigan ¹	93.5	6.5	88.9	11.1	90.0	10.0	92.3	7.7	95.1	4.9	95.0	5.0	95.9	4.1	97.7	2.3
Minnesota ¹	77.1	22.9	73.5	26.5	77.2	22.8	82.3	17.7	84.0	16.0	85.0	15.0	90.6	9.4	95.7	4.3
Ohio.....	95.9	2.3	91.9	4.8	96.0	2.0	97.3	1.5	98.0	1.1	98.4	1.0	98.3	.9	99.1	0
Wisconsin.....	75.2	3.3	72.1	4.4	77.7	3.0	81.3	1.8	81.7	2.3	79.1	1.7	77.0	1.7	72.0	1.8
Wyoming.....	82.5	17.5	80.0	20.0	84.8	15.2	88.4	11.6	87.9	12.1	85.2	14.8	91.1	8.9	100.0	0
Arkansas.....	79.8	.....	78.0	.....	81.8	.....	86.4	.....	84.7	.....	83.0	.....	77.4	.....	92.9	.....
California.....	50.8	.....	35.1	.....	42.8	.....	53.4	.....	57.4	.....	61.0	.....	65.6	.....	79.9	.....
District of Columbia.....	91.6	.....	87.2	.....	94.5	.....	97.0	.....	98.2	.....	98.8	.....	98.8	.....	100.0	.....
Georgia.....	86.5	.....	81.8	.....	83.5	.....	89.2	.....	89.3	.....	85.1	.....	83.3	.....	89.3	.....
Indiana.....	82.8	.....	80.6	.....	79.9	.....	84.2	.....	84.9	.....	83.5	.....	80.3	.....	73.4	.....
Maryland ⁴	92.4	.....	87.9	.....	91.6	.....	95.2	.....	95.4	.....	95.6	.....	94.8	.....	98.4	.....
Massachusetts.....	91.5	.....	79.3	.....	92.8	.....	95.7	.....	96.1	.....	96.7	.....	96.3	.....	98.4	.....
New Hampshire.....	76.2	.....	68.0	.....	70.5	.....	84.4	.....	83.9	.....	85.5	.....	69.3	.....	73.1	.....
North Carolina.....	53.0	.....	44.7	.....	45.9	.....	56.5	.....	61.3	.....	56.9	.....	44.4	.....	45.6	.....
Oregon.....	74.1	.....	66.6	.....	73.8	.....	76.1	.....	80.0	.....	75.1	.....	70.7	.....	84.6	.....
Texas.....	97.8	.....	94.9	.....	98.3	.....	99.1	.....	99.1	.....	99.3	.....	99.5	.....	99.2	.....
Vermont.....	77.5	.....	73.3	.....	86.9	.....	80.4	.....	79.4	.....	81.4	.....	84.7	.....	72.7	.....
West Virginia.....	91.3	.....	85.1	.....	89.7	.....	94.2	.....	92.9	.....	89.9	.....	89.1	.....	97.7	.....

¹ Standard rate in all States except Michigan, where it is 3.0 percent.

² Data available for only 21 States since reporting of average annual pay roll of experience-rating accounts is on voluntary basis for duration of the war.

³ Based on 1942 pay roll.

⁴ Excludes 3,382 accounts assigned war-risk rate of 2.7 percent; no data available as to distribution.

Table 7.—Effect of war-risk provisions on employer contribution rates and revenue, by State, 1943

[Based on data reported by State agencies, corrected to Mar. 31, 1945]

State	Effective date of war-risk contribution provisions	Average employer contribution rate (percent)		Reduction in revenue under normal experience-rating provisions		Additional revenue from war-risk contributions ²		Net reduction in revenue	
		Excluding war-risk contributions ¹	Including war-risk contributions	Amount (in thousands)	Per cent	Amount (in thousands)	Per cent	Amount (in thousands)	Per cent
Total, 9 States ³		1.59	1.87	\$122,053	41	\$31,281	18	\$90,772	30
Alabama	Apr. 1943	1.25	1.42	9,475	54	1,116	14	8,359	47
Florida	July 1943	2.24	2.33	2,632	17	523	4	2,109	14
Illinois	July 1943	1.36	1.53	57,695	50	7,142	12	50,553	43
Iowa	July 1943	1.92	2.20	3,786	29	1,355	15	2,431	18
Maryland	July 1943	2.01	2.49	7,799	26	5,487	24	2,312	8
Minnesota	Jan. 1943	1.55	2.29	9,296	42	5,961	47	3,335	15
Missouri	July 1943	1.57	1.68	14,241	42	1,400	7	12,841	38
Oklahoma	Jan. 1943	1.58	1.80	5,400	41	1,052	14	4,348	33
Wisconsin	July 1943	1.79	2.53	11,729	34	7,215	31	4,514	13

¹ Average employer contribution rate excluding war-risk contributions represents actual ratio of employer contributions to taxable wages (in percent) reported by State agency and adjusted to exclude estimated additional contributions from war-risk provisions.

² Estimated increase in revenue over amount col-

lectible on 1943 taxable wages in absence of war-risk contribution provisions.

³ War-risk provision became effective in tenth State (Ohio), January 1944.

⁴ Includes effect of special "postwar reserve" contribution of 0.5 percent.

rated employers in the State with average annual pay rolls of \$50,000 or more received reduced rates.

Although the data indicate that no rated employers in the \$1 million class received rate reduction in Maryland, this is attributable to the fact that the Maryland data exclude 3,382 accounts to which a war-risk rate of 2.7 percent was assigned. It is likely that a large proportion of these employers had average annual pay rolls of \$1 million or more and would have

been entitled to a reduced rate but for the State's war-risk provisions.

War-Risk Contributions in 1943⁷

During 1943, 10 States, recognizing that increased wartime pay rolls foreshadowed greater future benefit liabilities and that tax rates were being reduced just when it was easiest for employers to absorb higher rates,

⁷ For discussion of war-risk contribution provisions, see the *Bulletin*, May 1944, pp. 2-8.

adopted special war-risk provisions. New employers and those whose pay rolls had increased sharply over pre-war levels were taxed at higher rates under these provisions than they would have been under the normal experience-rating provisions. Although data on the effects of the war-risk provisions are not yet available for 1944, estimates for 1943 may serve to give some indication of the probable effect in 1944.

The war-risk provisions raised an estimated \$31.3 million additional revenue on 1943 wages in the nine States in which the provisions were in effect at some time during 1943 (table 7). The estimated relative increase in revenue resulting from these provisions ranged from 4 percent in Florida to 47 percent in Minnesota; for the nine war-risk States combined, the revenue was 18 percent more than the amount which would have been collected in the absence of the war-risk provisions. The combined average employer contribution rate for the nine States under the "normal" experience-rating provisions (excluding war-risk contributions) was an estimated 1.59 percent; the corresponding figure including war-risk contributions was 1.87 percent. For the country as a whole, the additional revenues collected under the war-risk provisions raised the average employer contribution rate in 1943 from 2.04 to 2.09 percent.

Tripartite Hearings on Benefit Determinations

By James G. Bryant*

THE CALIFORNIA unemployment compensation law permits (sec. 67) reconsideration of an initial determination on benefit rights before an appeal is taken to the referee, the first appeal authority. The Chief of the Division of Public Employment Offices and Benefit Payments (more commonly known as the Benefits Division) has recently instituted a new procedure for handling this readjustment process by means of tripartite committee hearings on benefit determinations before the appeals process begins. While this procedure is still in a de-

*Chairman, California Employment Stabilization Commission.

velopmental stage, the agency believes that the preliminary results of its operation are encouraging, that wider use of tripartite hearings committees will result in considerable reduction in the volume of appeals, and that appeals from the tripartite hearings committee can be taken directly to the highest appeals authority. The use of these tripartite hearings committees should serve to acquaint interested employers and labor groups in the community with problems with which the agency deals daily, which will become even more difficult as the country switches from a war to a peacetime economy.

The Chief of the Benefits Division, who is responsible for the payment of benefits under the California Unemployment Insurance Act, asked local labor organizations and trade and business organizations to submit names of individuals who would be willing to assist the Department of Employment in reviewing disputed determinations at the local office level. As a result, panels composed of an equal number of representatives of labor and management have been established in several California cities. Hearing committees (consisting of either three or five members) will be selected equally from the labor panel and the management panel. The third or fifth member of the committee will be a representative of the Department and the committee will be known as the Tripartite Hearing Committee.

In each city where labor and man-

agement panels are to be established a meeting has been held to discuss and explain the program for tripartite hearings and to secure community support and cooperation for the project. After these meetings an equal number of interested representatives of management and labor have been officially appointed as panel members. Each member received a letter like the following:

"You have been appointed a member of the tripartite labor-management-Department of Employment panel being established in _____

(name of city)

"Individuals will be selected from this panel to assist the Department in conducting an administrative review of disputed benefit cases. This program will expedite determinations of claimants' eligibility to receive unemployment insurance, and in no way will it interfere with any employers' or claimants' right of appeal if either party is not satisfied with the results of the administrative review.

"As a member of this panel you will be furnished at an early date a copy of the Act and the procedure for hearings before the Tripartite Committee. Other pertinent material will be forwarded to you from time to time.

"In order that you may secure some desirable background information, it is planned to hold an all-day training meeting to be scheduled in the near future. At that time the basic provisions of the California Unemployment Insurance Act will be discussed and the use of the Precedent Manual explained.

"I wish to thank you for your cooperation in this project which will unquestionably improve the program of unemployment insurance."

An all-day training meeting on the broad aspects of the unemployment insurance program has been provided for panel members if they can afford the time. Although this training is desirable, it is not always possible to arrange such meetings, since the high caliber of the members selected limits the amount of time they can give to this activity. Many panel members are willing to serve because of their interest in the program and definite assurances from the Department that no panel member will be called too frequently.

The tripartite hearing procedure is relatively simple after the panels have been established. When a claimant or an employer indicates dissatisfaction with a determination on a claim, he is advised that the issue can be reviewed by an impartial committee representing management, la-

bor, and the Department. The advantage to the claimant of such a review is that it may considerably expedite the payment of benefits, and in no event does he lose any of his regular appeal rights. For the employers also it provides prompt determinations through a relatively informal procedure.

The date of the hearing must be set within 5 days after the request is made by a claimant or an employer. The local office representative of the Department selects a committee from the panel members on a rotational basis. Any member of the panel who has an interest in a particular case is disqualified. An alternate also is selected from each panel in case the regular member is unable to appear at the hearing or his interest is challenged at the hearing. All selected members, including the alternate, are notified by telephone, and the hearing date is scheduled on the basis of their availability. If a selected member cannot attend the hearing, another is substituted. After the date is chosen the tripartite hearing committee, the appellant, and all interested parties to the determination are notified of the hearing date by the chairman.

The committee hearings are conducted informally and in the way deemed most suitable to ascertain the facts and to determine the substantial rights of all the parties. Before the hearing begins the chairman explains briefly to the committee the purpose of the hearing, related provisions of the law, rules and regulations pertaining to the type of disqualification involved, Department policy as set forth in the Precedent Manual, the factors to be considered, the relevancy of the testimony, and the authority, duties, and responsibilities of the committee.

After these preliminaries the chairman opens the hearing with necessary introductions (omitting the names and affiliation of committee members) and a statement of the case and the nature of the hearing. The claims examiner who issued the disputed determination is then asked to state the grounds for his determination. The appellant or other interested party then has an opportunity to rebut the statements of the claims examiner, after which the committee can cross-examine the claims examiner, the appellant, and any interested parties. Any interested parties present also have the right of cross-examination.

The chairman records all the facts brought out during the hearing which may have a bearing on the decision.

When the committee has completed its examination, all the interested parties are temporarily excused while the committee discusses, deliberates, and reaches a decision. The chairman participates in the discussion and deliberation, but he does not vote. The interested parties are recalled, and the decision is announced before all participants in the hearing. The written decision is prepared immediately, and copies are subsequently mailed to all interested parties by the chairman. The written decision contains advice to the effect that each interested party has 7 days from the date of the receipt of the written decision to appeal the case if the decision is not acceptable. The chairman makes a full and complete written report of each hearing to the chief of the Benefits Division. A copy of the report and the record of the hearing as taken by the chairman is maintained by the local office.

If a claimant wishes to withdraw his request for a hearing before the tripartite hearing committee, the members of the committee are notified by telephone of the cancellation and the interested parties are advised that the original determination has been reaffirmed and that an appeal may be filed within 7 days from the receipt of this second notice.

The outstanding fact brought out in the hearings to date has been the effort of the committee members to do a good job. The members on each committee have been sincere, honest, and highly cooperative. Their primary objective has been to get the facts and make sound determinations. It was interesting to note that unanimous decisions were reached in 13 of the first 15 cases. Only in 2 cases was there any question between the management and labor representatives on the committee as to whether benefits should be paid or denied, and these were decided by the California Unemployment Insurance Appeal Board.

The biggest problem facing the committee is its ability to determine whether it is getting the facts. On the basis of limited experience it is believed that a five-man committee provides a greater possibility of obtaining the facts than the three-man committee.

Several of the major immediate ad-

vantages of committee hearings are: the appreciation, on the part of labor and management, of the problems faced by the Department in making determinations of eligibility; the opportunity of the Department's representative to obtain management's and labor's interpretation of the Unemployment Insurance Act; the prompt manner in which adequate determinations can be reached where the initial determination of a claims examiner has been disputed; and the

elimination of many appeals.

The California agency believes that tripartite hearing committees will prove of great value in assisting in the adjustments necessary when the demands for current wartime skills decline. Many trade and service workers who have been attracted to war jobs by high wages or patriotic motives may be reluctant to return to their former work, usually at considerably lower salaries, even though the possibility of their utiliz-

ing their wartime skills may be remote. The question of what constitutes "suitable employment" for this type of worker will present many serious problems, the solution of which can best be found in the local community, where the decision should logically be made. This inevitable readjustment will confront nearly all communities, and representatives of labor and management are in the most advantageous position to assist in the solution.

(Continued from page 2)

sent to the Senate on May 7 and referred to the Committee on Finance, urged the President and Congress "to enact such amendments to the Social Security Act as will insure that ownership and occupancy of a home will not be considered income or resources of recipients of old-age assistance or of aid to the blind." The legislature based its resolution on the argument that the amount which must now be deducted from the assistance to which the recipient would otherwise be entitled is "a comparatively small sum, so that the amount of public money withheld from recipients for this reason is lost to the States and the United States Government by the increased cost of administration resulting from investigation and accounting to establish the amount of the deductions." It also declared that "consideration of the occupancy value of homes of recipients as income or resources discourages thrift leading to home ownership."

Legislation "to provide wage credits on the social security accounts of members of the armed forces during their period of service" was requested in a memorial from the Wisconsin legislature, presented to Congress on May 4 and referred to the Ways and Means Committee.

A National Health Service for South Africa

The National Health Services Commission, appointed by the Government of South Africa to inquire into all aspects of national health, has reported its recommendations for a complete program of free personal

health services as a "citizen right" for all. The proposed plan of the Commission parallels in large part the recommendations made earlier by the Federal Council of the Medical Association of South Africa (see the May 1944 BULLETIN, pp. 18-21).

The Commission recommends that the service should be nationally controlled and directed by a Minister of Health, responsible to Parliament. The Minister would be advised by a National Health Council, composed of representatives of taxpayers, voluntary organizations in the health field, and professional and technical interests in the service. The Council would be responsible for general policy. Actual administration would be placed in a National Health Board of three or five members.

For decentralized administration, the country would be divided into some 20 regions, within which health centers would be set up. The 400 or so health centers would be staffed by general practitioners, dentists, and auxiliary personnel, all working together as a team and on salary. The public would have choice of doctor from among the staff of the center, and the doctor so chosen would be primarily responsible for the health of the entire family. Private practice is not banned, but no citizen would be exempted from payment of national health taxes on the ground that he preferred not to use the service.

Advisory bodies, consisting of democratically constituted councils, would be set up at both regional and health center levels. A National Health Congress would provide opportunities for the staff of the health service to express their views on technical and scientific matters and

on service conditions, while a Health Service Personnel Commission of three members would deal with appointments to the service and other relevant matters.

All hospitals—and the Commission contemplates a wide variety of types—would be nationally controlled and completely integrated with the other medical services. Until other arrangements can be made to satisfy the demand for free hospital care, private hospitals would remain, financially assisted, supervised, and inspected by the national health authority.

The preventive aspects of public health would be stressed. The majority of the Commission would leave administration of the nonpersonal public health services with the four Provinces but would have the Provinces turn over to the National Health Service the control and financial responsibility for all personal health services hitherto maintained by them. Two members of the Commission, in a minority report, opposed the severance of personal and nonpersonal health services and would leave administration of both with the Provinces; they would, however, center direction of policy in the National Health Service.

The Commission would finance the program partly from general revenue but to a large extent by a special health tax, levied on all income groups. The feeling seems to be prevalent throughout the country that the new service should not be thought of as a charity and that every one should contribute toward it, even if only a small amount. Cost of the new program is estimated at more than £20 million.

Public Assistance

General Assistance in 1944

Decline in general assistance cases tapered off in 1944.—Since the beginning of the war in Europe, the size of the general assistance load has contracted rapidly. In 1944, however, this wartime decline was checked. In the last quarter of 1944 the number of assistance cases actually increased. The rise, however, appeared to be seasonal in character.

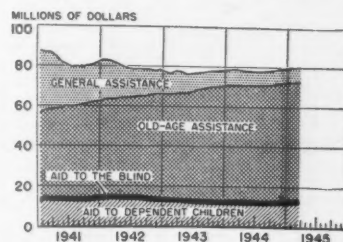
December of—	Percentage decrease from preceding year
1940.....	20.5
1941.....	35.6
1942.....	42.2
1943.....	36.6
1944.....	11.7

The national trend represented, on the whole, what was happening in individual States. About two-thirds of the States aided fewer cases at the end of 1944 than they had a year earlier, and most of these decreases

were relatively small (less than 20 percent) compared with previous years. The tendency for the number of cases to increase in the latter part of the year was likewise well marked; 39 of the 47 States which report fairly complete data gave assistance to more cases in December than in November.

Some States, however, showed striking variations from the general picture. The most outstanding example of change in 1944 was the State of Washington, where the number of general assistance cases increased by about 140 percent in the last half of the year. This jump was due primarily to a new State policy of allowing recipients of old-age assistance whose needs were not met fully under a \$40 maximum to receive supplementation not exceeding \$5 from general assistance funds. Increases in case load occurred in 11 other States, but none amounted to as

Chart 1.—Public assistance in the United States, January 1941–March 1945



much as 30 percent. At the other extreme, 5 States reduced their loads by more than 25 percent.

Smaller rate of turn-over during the year.—At the beginning of the war, new employment opportunities naturally produced a sharp increase in the rate of closing general assistance cases. After the initial spurt, however, closings tended to decrease and at a faster rate than the case load. The falling separation rate reflected the decreasing employability of persons in families remaining on

Table 1.—Public assistance in the United States, by month, March 1944–March 1945¹

Year and month	Total	Old-age assistance	Aid to dependent children		Aid to the blind	General assistance	Total	Old-age assistance	Aid to dependent children		Aid to the blind	General assistance
			Families	Children					Families	Children		
Number of recipients												
Percentage change from previous month												
1944												
March		2,113,487	265,926	663,606	73,278	281,000	-----	-0.4	-0.7	-0.6	-0.2	-1.0
April		2,104,471	264,074	659,776	73,101	273,000	-----	-4	-7	-6	-2	-2.7
May		2,095,855	262,582	656,315	72,877	266,000	-----	-4	-6	-5	-3	-2.8
June		2,086,943	260,224	651,432	72,817	258,000	-----	-4	-9	-7	-1	-2.9
July		2,080,883	255,945	641,350	72,768	255,000	-----	-3	-1.6	-1.5	-1	-1.3
August		2,075,371	253,238	636,651	72,640	254,000	-----	-3	-1.1	-7	-2	-4
September		2,070,432	252,363	635,174	72,553	254,000	-----	-2	-3	-2	-1	+1
October		2,069,203	251,469	633,405	72,465	254,000	-----	-1	-4	-3	-1	(²)
November		2,067,648	251,653	633,778	72,377	255,000	-----	-1	+1	+1	-1	+3
December		2,065,891	253,681	638,882	72,301	258,000	-----	-1	+8	+8	-1	+1.4
1945												
January		2,059,200	254,728	642,116	72,145	260,000	-----	-3	+4	+5	-2	+6
February		2,052,886	255,288	643,800	71,803	258,000	-----	-3	+2	+3	-3	-5
March		2,048,803	256,074	646,181	71,652	258,000	-----	-2	+3	+4	-3	(²)
Amount of assistance												
Percentage change from previous month												
1944												
March	\$78,629,166	\$57,307,061	\$11,334,492	\$2,069,613	\$7,918,000		+0.1	(²)	+0.1	+0.1	+0.1	+0.6
April	79,591,211	57,500,605	11,822,466	2,080,140	8,188,000		-4	+0.2	(²)	+3	-3	-2.1
May	78,163,977	57,474,170	11,257,101	2,086,706	7,346,000		-2	+1	-6	+5	-2	-2.1
June	77,997,234	57,493,529	11,223,235	2,091,470	7,189,000		-2	(²)	-3	+2	-2	-2.1
July	77,853,223	57,651,634	11,136,863	2,101,726	6,963,000		-2	+3	-8	+5	-3	-3.1
August	78,040,093	57,852,949	10,978,659	2,107,485	7,101,000		+2	+3	-1.4	+3	+2	+2.0
September	78,074,438	57,895,855	11,067,866	2,108,717	7,002,000		(²)	+1	+8	+1	-1	-1.4
October	78,736,323	58,188,918	11,198,912	2,112,493	7,236,000		+8	+5	+1.2	+2	+3	+3.3
November	79,211,700	58,502,094	11,306,971	2,117,635	7,285,000		+6	+5	+1.0	+2	+7	+2.0
December	79,830,755	58,721,758	11,560,642	2,119,355	7,429,000		+8	+4	+2.2	+1	+1	+2.0
1945												
January	79,978,647	58,736,811	11,635,258	2,120,578	7,486,000		+2	(²)	+6	+1	+8	+3.2
February	79,807,504	58,693,475	11,741,844	2,122,185	7,250,000		-2	-1	+9	+1	-3	-3.2
March	80,359,013	58,855,846	11,902,818	2,120,340	7,480,000		+7	+3	+1.4	-1	-1	+3.2

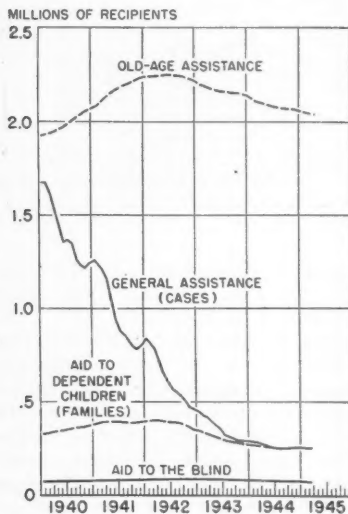
¹ For monthly data prior to 1944 for continental United States, see the *Bulletin*, February 1944, p. 27. Beginning with March 1945 *Bulletin*, data cover 51 jurisdictions. Excludes programs administered without Federal participation in States administering such programs concurrently with programs under the Social Security Act.

² Increase of less than 0.05 percent.

³ Decrease of less than 0.05 percent.

⁴ Amount includes estimated increase in payments due to change in payment dates for old-age assistance and aid to the blind in Baltimore, Md.; for aid to dependent children and general assistance in Baltimore, Md., and New York City.

Chart 2.—Recipients of public assistance in the United States, January 1940–March 1945



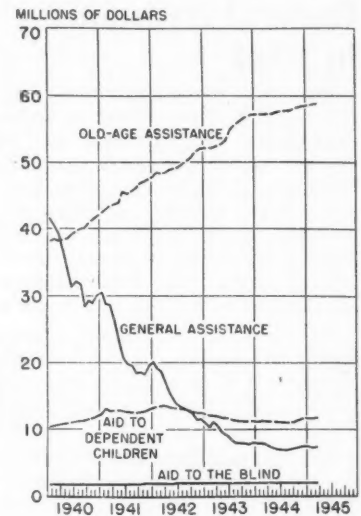
general assistance rolls. In 1944 the separation rate continued to drop. Closings in 29 reporting States were about a third fewer than in 1943, but the average assistance load in these same States decreased only 25.2 percent.

Data from 27 States also show that fewer applications were received in 1944. The total for the year was about 14 percent below the number for 1943. In the latter half of the year, however, the trend in applications turned upward; the figure for the second 6 months was about 3.5 percent higher than for the first and likewise higher than for the last half of 1943.

Loss of job and transfer major factors in turn-over.—Data collected in 19 of the largest cities in the country indicate that changes in the volume of employment in 1944 stopped producing a net decrease in assistance cases. December was the fifth successive month in which more cases were approved for assistance because of loss of a job or decrease in earnings than were closed as the result of getting a job or more earnings. The bulk of cases approved because of loss of job or of earnings, however, were reported as resulting from the illness or disablement of a wage earner rather than from cut-backs in employment, discharges, or voluntary resignations for other reasons.

During the period of rising employment, the transfer of cases from general assistance to the special types

Chart 3.—Payments to recipients of public assistance in the United States, January 1940–March 1945



of public assistance was of secondary importance in reducing the rolls. By the end of 1944, however, transfer of cases to other forms of aid had become the major factor in decreasing loads, since loss of employment was resulting in more openings. In the

Table 2.—Old-age assistance: Recipients and payments to recipients, by State, March 1945¹

State	Number of recipients	Payments to recipients		Percentage change from—				State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	February 1945 in—		March 1944 in—				Total amount	Average	February 1945 in—		March 1944 in—	
				Number	Amount	Number	Amount					Number	Amount	Number	Amount
Total 1.	2,048,803	\$58,855,846	\$28.73	-0.2	+0.3	-3.1	+2.7	Mo.	101,094	\$2,332,534	\$23.07	-0.3	(3)	-3.2	+3.6
Ala.	31,412	495,927	15.79	+8	+8	+13.9	+9.1	Mont.	10,855	330,704	30.47	-2	+0.2	-5.2	+1.3
Alaska	1,318	44,531	33.79	+2	+1.4	-5.7	+1.2	Neb.	24,445	694,953	28.43	-3	+1	-5.3	+4.6
Ariz.	9,482	365,137	38.51	-1	-1	-7	-3	Nev.	1,926	73,867	38.35	-1.0	-1.0	-4.1	-2.8
Ark.	28,360	515,024	18.16	-2	+3	+6.8	+18.5	N. H.	6,591	193,328	29.33	+3	+1.0	-1.5	+5.8
Calif.	157,607	7,457,760	47.32	(9)	(9)	-1	+3	N. J.	23,965	748,079	31.22	-8	-2	-7.2	+4.0
Colo.	40,846	1,687,855	41.32	-1	-1	-1.1	-8	N. Mex.	5,636	182,335	32.35	+1	+4	+8.5	+7.8
Conn.	13,932	494,707	35.51	-4	-2	-2.9	+2.8	N. Y.	104,877	3,660,837	34.91	-3	-5	-4.7	+3
Del.	1,364	20,722	15.19	-2.2	-1.6	-14.9	-8.9	N. C.	32,676	395,804	12.11	-2	+5	-4.2	+5.5
D. C.	2,488	77,565	31.18	-1.0	+6	-12.3	-4.0	N. Dak.	8,773	290,022	33.06	+5	+6	-1.9	+22.4
Fla.	40,222	1,154,050	28.69	+5	+6	+3.8	+61.7	Ohio	119,880	3,547,576	29.59	-5	-2	-5.6	-1.0
Ga.	66,724	754,439	11.31	-4	(9)	-4.5	+6	Okl.	77,347	2,238,568	28.94	+1	+3	+6	+12.1
Hawaii	1,428	431,850	30.28	+1	+2	+8	-3.7	Oreg.	19,851	680,392	34.78	+3	+6	+2.6	+15.4
Idaho	9,709	294,004	31.38	-3	+4	-10.3	-4.8	Pa.	83,254	2,440,854	29.32	-2	+4	-3.8	-7
Ill.	122,709	3,850,007	31.38	-3	+4	-10.3	-4.8	R. I.	7,243	240,331	33.18	+3	+3	-2	+7.2
Ind.	56,399	1,425,024	25.27	-7	-1	-6.5	-6	S. C.	21,284	298,208	14.01	(9)	+2	+1.6	+4.0
Iowa	49,757	1,549,115	31.13	-4	+5	-4.6	+7.7	S. Dak.	12,785	309,166	24.18	-3	-1	-4.5	+3.6
Kans.	28,136	814,459	28.95	-5	-4	-3.0	+1.7	Tenn.	37,963	632,952	16.67	-3	-1	-1.2	+9
Ky.	49,966	567,468	11.36	-1.4	-1.2	-8.5	-3.0	Tex.	169,243	3,706,677	21.90	+1	+4	-4.0	-1.0
La.	36,301	831,752	22.91	(9)	+1.5	-1.6	+4.8	Utah	13,026	482,868	37.07	-2	-1	-3.5	-2.5
Maine	14,929	434,301	29.09	+1	+7	-2.0	+11.3	Vt.	5,207	113,238	21.75	-3	(9)	-1.7	+6.8
Md.	11,718	320,366	27.34	-4	+3	-7.8	+3.5	Va.	15,203	205,595	13.52	-9	(9)	-7.7	+3.3
Mass.	75,047	3,199,378	42.63	-1	+2.9	-2.1	+4.8	Wash.	60,130	2,279,986	37.92	+2	+3	-7	+3
Mich.	84,673	2,558,948	30.22	-1	+2	-2.0	+3.0	W. Va.	18,544	335,123	18.07	-1	-4	+4	+4.0
Minn.	55,529	1,645,601	29.63	-4	+1	-4.6	+1.0	Wis.	45,657	1,310,278	28.70	-4	(9)	-5.3	+4
Miss.	27,911	421,098	15.09	-7	-1	+10.0	+68.7	Wyo.	3,371	110,483	32.77	-2	-1	+7	+1.7

¹ For definitions of terms, see the *Bulletin*, September 1941, pp. 50-51. All data subject to revision.

² All 51 States have plans approved by Social Security Board.

³ Increase of less than 0.05 percent.

⁴ Estimated.

Table 3.—General assistance: Cases and payments to cases, by State, March 1945¹

State	Number of cases	Payments to cases		Percentage change from—			
		Total amount	Average	February 1945 in—		March 1944 in—	
				Number	Amount	Number	Amount
Total ²	258,000	\$7,480,000	\$28.93	(³)	+3.2	-8.0	-5.5
Ala.	3,115	44,484	14.28	+1.0	+7.8	+19.1	+24.8
Alaska	141	4,974	35.28	+19.5	+41.3	+7.6	+27.7
Ariz.	2,088	62,786	30.07	-1.9	-3.2	-3.8	+3.2
Ark.	2,743	32,158	11.72	-5	+7	-7.7	-1
Calif.	11,775	431,736	36.67	+1.9	+3.4	-7	+12.3
Colo.	4,604	139,980	30.40	-1.1	-1.5	-5.8	+2
Conn.	2,552	90,240	35.36	-1.4	+5.0	-8.4	+3.2
Del.	344	8,582	24.95	+9	-6	+5.2	+13.0
D. C.	755	26,701	35.37	+5	+6	-11.7	+8.6
Fla.	5,000	43,000					
Ga.	2,768	33,411	12.07	+2.5	+5	-5.3	+6.3
Hawaii	544	16,767	30.82	+9	+1.0	-6.2	+9.6
Idaho	616	12,652	20.54	-1.1	-3.3	-1.4	+5.6
Ill.	24,462	836,497	34.20	-7	+5.2	-22.6	-13.9
Ind.	5,887	133,850	22.74	-1.0	-6	-16.7	-5.1
Iowa	4,133	83,010	20.08	-2.5	-2.9	-22.9	-17.2
Kans.	5,361	95,906	28.53	-7	+4	-15.0	-7.9
Ky.	1,600	23,000					
La.	6,076	123,224	17.66	+1.1	+1.4	+12.5	-6.9
Maine	2,103	68,594	32.62	+3.3	+5.6	-9.3	+3.7
Md.	4,778	161,551	33.81	+1.6	+1.4	+10.0	+20.5
Mass.	12,660	441,283	34.86	+3	+10.3	-12.6	-6.1
Mich.	10,513	348,736	33.17	+4	+5.5	-7.0	-14.6
Minn.	5,628	156,075	27.73	-1.2	-8	-17.7	-4.7
Miss.	327	2,646	8.09	+4.8	+2.2	-15.1	+8.1
Mo.	8,436	185,536	21.99	+3.1	+3.4	+21.3	+7.3
Mont.	1,222	30,578	25.02	+2.2	+4.0	-4.8	+5.2
Nebr.	1,676	34,736	20.73	+1.2	+5.4	-17.4	-4.0
Nev.	243	4,495	18.50	+10.0	+11.9	+3.4	+9.2
N. H.	1,248	35,325	28.31	-2.4	+1	-22.4	-19.5
N. J.	4,882	163,756	33.54	-8	+3.5	-22.4	-13.1
N. Mex.	1,102	24,201	21.96	-9	+2.7	+27.4	+134.0
N. Y.	37,775	1,739,441	46.05	-9	-3	-22.1	-16.1
N. C.	2,518	26,124	10.37	+5	+2.3	-8.1	+2.9
N. Dak.	678	16,569	24.44	-2.0	-1.8	-17.0	-4.8
Ohio	11,413	328,614	28.79	-2.2	-7	-10.5	-2.9
Okla.	11,527	42,292	(⁴)	(⁴)	+4.9	(⁴)	+15.3
Oreg.	3,741	149,693	40.01	+3.6	+5.2	+22.1	+43.8
Pa.	20,937	546,084	26.08	+1.4	+18.1	-14.6	-3.3
R. I.	1,898	68,723	36.21	+1.8	+12.7	+1.3	-8
S. C.	2,657	28,992	10.91	+1.1	+2.7	+5.3	+9.6
S. Dak.	926	20,315	21.94	-5.0	-9.4	-16.0	-12.5
Tenn.	1,300	11,000					
Tex.	3,100	47,000					
Utah	1,432	57,347	40.05	-3	-1	-8.2	-7.0
Vt.	842	18,997	22.56	-2.7	-2	-20.2	-11.7
Va.	3,156	49,532	15.69	+2	+3.5	-11.6	-1
Wash.	15,631	299,900	19.19	+1.4	+1.5	+146.5	+30.1
W. Va.	4,936	79,828	16.17	-3.1	-4.6	+13.7	+5.0
Wis.	4,875	125,070	25.66	-2.6	-5	-21.5	-16.0
Wyo.	382	10,957	28.68	+1.3	-4	-4.7	+2.1

¹ For definitions of terms, see the *Bulletin*, September 1941, pp. 50-51. All data subject to revision.

² Partly estimated; does not represent sum of State figures, because total excludes estimated number of cases and payments for medical care, hospitalization, and burial only in Indiana and New Jersey, and estimated duplication of cases in Oklahoma.

³ Increase of less than 0.05 percent.

⁴ State program only; excludes program administered by local officials.

⁵ Based on actual reports including an estimated 95 percent of cases and 96 percent of payments.

⁶ Estimated.

⁷ Excludes assistance in kind and cases receiving assistance in kind only and, for a few counties, cash payments and cases receiving cash payments. Amount of payments shown represents approximately 60 percent of total.

⁸ Includes unknown number of cases receiving medical care, hospitalization, and burial only, and total payments for these services.

⁹ Excludes a few cases and a small amount of local funds not administered by the State agency.

¹⁰ Includes cases receiving medical care only; number believed by State agency to be insignificant.

¹¹ Represents 2,258 cases aided by county commissioners and 3,018 cases aided under program administered by State Board of Public Welfare; amount of duplication believed to be large; average per case and percentage change in number of cases cannot be computed.

Table 4.—Aid to the blind: Recipients and payments to recipients, by State, March 1945¹

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	February 1945 in—		March 1944 in—	
				Number	Amount	Number	Amount
Total	71,652	\$2,120,349	\$29.59	-0.3	-0.1	-2.2	+2.5
Total, 46 States ¹	55,835	1,663,094	29.79	-3	+1	-2.4	+3.7
Ala.	757	12,337	16.30	+9	+1.3	+8.6	+14.0
Ariz.	434	19,745	45.50	+5	+7	+11.9	+33.4
Ark.	1,242	25,024	20.15	-3	-5	+3.2	+12.3
Calif.	5,528	263,361	47.64	-9	-9	-9.4	-8.7
Colo.	485	17,611	36.31	-1.6	-1.6	-10.0	-8.3
Conn.	132	4,545	34.43	0	-8	-8	+4.5
D. C.	213	7,441	34.93	-1.4	+6	-12.7	-12.4
Fla.	2,267	67,550	29.80	-3	-2	-3.1	+44.0
Ga.	2,033	28,099	14.12	-6	-5	-8.1	-1.5
Hawaii	67	1,600	(²)	(²)	(²)	(²)	(²)
Idaho	205	6,552	31.96	-5	-8	-11.3	-12.6
Ill.	5,207	171,661	32.97	-3	+3	+8.0	+14.6
Ind.	2,076	61,898	29.82	-6	-8	-8.3	-10.5
Iowa	1,276	41,920	32.85	-1.0	-7	-8.5	-5.3
Kans.	1,054	32,400	30.74	-7	-9	-8.2	-4.8
Ky.	1,594	20,676	12.97	-1.0	-9	+5.3	+9.7
La.	1,391	37,145	26.70	-5	+1.2	-5.6	-2.3
Maine	823	24,584	29.87	-2	+8	-7.1	+4.3
Md.	443	13,585	30.67	-4	+1.3	-4.5	+2.9
Mass.	959	41,468	43.24	0	+5	-4	+7.8
Mich.	1,249	42,556	34.07	+2	+4	-1.3	+2.6
Minn.	940	34,656	36.87	-6	-7	-1.9	+8.0
Miss.	1,454	32,016	22.02	+3	+9	+6.4	+104.5
Mo.	4,000	75,000					
Mont.	313	10,064	32.15	-3	+1.0	+6.5	+14.5
Nebr.	451	12,818	28.42	-4	+7.0	-19.2	-8.5
Nev.	28	1,224	(³)	(³)	(³)	(³)	(³)
N. H.	271	8,264	30.49	+4	+1.2	-2.5	+7.0
N. J.	537	17,555	32.69	+2	+1.8	-7.1	+5.7
N. Mex.	250	7,216	28.86	+8	-3	-6.4	-9.0
N. Y.	2,909	113,228	38.92	-4	+1.1	+3.7	+11.0
N. C.	2,300	40,837	17.76	+8	+3.0	+2.8	+13.8
N. Dak.	116	3,815	32.89	-9	+2.4	-7.9	+12.6
Ohio	3,065	81,887	26.80	-8	-6	-6.5	+5
Okla.	1,854	58,261	31.42	+1	-1	-4.4	+4.9
Oreg.	377	17,294	45.87	+1.1	+1.9	+8	+21.1
Pa.	18,789	581,081	29.79	-5	-8	-8.0	-1.8
R. I.	97	3,020	31.13	(⁴)	(⁴)	(⁴)	(⁴)
S. C.	899	18,126	20.16	0	+6	+6.5	+22.7
S. Dak.	215	4,698	21.85	0	-6	-1.4	+13.1
Tenn.	1,530	30,768	20.11	-3	-1	-1.3	-9
Tex.	4,625	112,240	24.27	-1	+1	-1.0	-1.3
Utah	129	5,225	40.50	0	+1.2	-8	+6
Vt.	151	4,307	28.52	0	-4	+4.1	+13.3
Va.	960	17,175	17.89	+7	+2.0	-1.9	+11.2
Wash.	591	23,323	39.46	-1.2	-1.0	-14.7	-11.9
W. Va.	818	17,822	21.79	+2	-7	-2.7	-5.1
Wis.	1,445	41,859	28.97	-7	-2	-8.3	-2.6
Wyo.	113	4,264	37.73	0	-1	-12.4	-6.8

¹ For definitions of terms, see the *Bulletin*, September 1941, pp. 50-51. Figures in italics represent programs administered without Federal participation. Data exclude program administered without Federal participation in Connecticut, which administers such program concurrently with program under the Social Security Act. Alaska and Delaware do not administer aid to the blind. All data subject to revision.

² Total under plans approved by Social Security Board.

³ For description of concurrent program, see the *Bulletin*, April 1945, p. 26.

⁴ Estimated.

⁵ Not computed. Average payment not calculated on base of less than 50 recipients; percentage change, on less than 100 recipients.

19 large cities, the transfer of cases to other assistance programs was rapid enough to offset the effect of a greater number of openings and loads continued to decline, slowly but uninterruptedly.

Relatively little general assistance was given in States with low per capita income.—The amount of assistance given under any program is a measure not merely of the need in the area but also of the willingness

and ability of the responsible units of government to pay for assistance. Consequently, many States with a relatively low per capita income provide less assistance in relation to the size of the population than do the States that are comparatively wealthy.

The provision of less assistance per inhabitant in States with low per capita income tends to occur under all programs, but it is particularly

noticeable in general assistance, for which the States and local units carry the entire burden of financial support. Thus, each of the 12 States with the lowest per capita income spent proportionately less for general assistance than the State's share of the Nation's population would indicate. Furthermore, the share of total general assistance expenditures of 11 of these 12 States was smaller than their share of total expenditures for

Table 5.—Aid to dependent children: Recipients and payments to recipients, by State, March 1945¹

State	Number of recipients		Payments to recipients		Percentage change from—					
	Families	Children	Total amount	Average per family	February 1945 in—			March 1944 in—		
					Number of—		Amount	Number of—		Amount
					Families	Children		Families	Children	
Total.....	256,074	646,181	\$11,902,818	\$46.48	+0.3	+0.4	+1.4	-3.7	-2.6	+5.0
Total, 49 States ²	255,970	645,942	11,899,063	46.40	+3	+4	+1.4	-3.7	-2.6	+5.0
Alabama.....	5,033	13,946	126,793	25.19	(³)	(³)	(³)	(³)	(³)	(³)
Alaska.....	34	101	1,770	(³)	(³)	(³)	(³)	(³)	(³)	(³)
Arizona.....	1,396	3,998	54,416	38.98	-2	-2	-1	-2.9	-3.3	-4
Arkansas.....	4,752	12,449	136,362	28.70	-6	-7	-3	-2.3	-1.4	+8.0
California.....	6,485	16,427	519,635	80.13	+9	+1.1	+1.3	-5.8	-6.8	+2.2
Colorado.....	3,317	9,025	121,554	36.65	-9	-3	-1	-8.5	-6.6	-5.4
Connecticut.....	1,954	4,986	147,480	75.48	+1.0	+1.3	+9	+9.3	+9.9	+18.5
Delaware.....	266	753	17,927	67.39	-1.8	-2.2	-3.1	+3.5	+6.7	+25.5
District of Columbia.....	602	1,907	35,068	58.25	+3.3	+2.1	+1.9	-2.0	+1.5	+22.7
Florida ⁴	4,999	12,329	166,910	33.39	+3.9	+4.4	+4.2	+73.6	+85.0	+109.5
Georgia.....	4,000	9,916	99,130	24.78	+1	(³)	+4	-1.1	+1.3	+5
Hawaii.....	506	1,584	7,290	14.20	-6	+3	-13.2	-12.9	-12.9	-20.1
Idaho.....	1,259	3,480	47,216	37.50	-2	-6	-2	-20.8	-19.5	-20.1
Illinois.....	19,808	47,282	980,078	49.48	+3	+2	+6	-11.3	-9.3	+34.8
Indiana.....	6,443	14,832	231,748	35.97	-6	(³)	+1	-19.0	-16.6	-14.5
Iowa.....	5,130	7,789	85,151	27.20	+6	+1.0	+8	+13.1	+12.9	+14.5
Kansas.....	2,985	7,498	144,516	48.41	-5	-2	-5	-19.5	-20.2	-15.6
Kentucky ⁵	4,720	12,724	103,089	21.84	-9	-1.2	-2.2	+29.8	+26.2	+28.3
Louisiana.....	9,169	23,575	384,709	41.96	-4	-3	+9.1	-11.9	-11.1	-4.4
Maine.....	1,314	3,677	81,793	62.25	0	-3	-3	-11.9	-9.9	+6.8
Maryland.....	2,866	8,254	108,837	37.98	+1.8	+1.8	+1.7	-3.3	-2.4	+1.6
Massachusetts.....	7,169	17,642	567,952	79.22	+4	+3	+1.3	-1.7	-1.6	+4.4
Michigan.....	12,522	30,210	754,167	60.23	-4	-3	-3	-4.7	-3.7	-4.1
Minnesota.....	4,937	12,414	205,931	41.71	-2	(³)	(³)	-13.4	-11.9	-9.2
Mississippi.....	2,825	7,217	72,950	25.82	-1.0	-1.1	-1.1	+2.7	+3.1	+27.7
Missouri.....	10,811	27,537	361,875	33.47	+3	+3	+6	-2.7	+1.0	-2
Montana.....	1,312	3,305	44,936	34.25	+2	+1.1	+1.1	-13.5	-12.2	-10.7
Nebraska ⁶	2,364	5,506	77,813	32.92	-5	-5	-4	-20.9	-20.5	-20.0
Nevada.....	70	188	1,985	28.36	(³)	(³)	(³)	(³)	(³)	(³)
New Hampshire.....	716	1,765	48,914	68.32	+1.0	+7	+1.9	+2.0	-1.7	+23.3
New Jersey.....	3,293	8,409	193,451	57.01	-8	-4	+5	-16.0	-13.2	+3.7
New Mexico.....	2,366	6,576	94,833	40.08	+2.2	+1.1	+1.9	+7.2	+3.5	+21.8
New York.....	18,760	43,664	1,411,759	75.25	+2	+5	+7	+2.0	+4.5	+7.3
North Carolina.....	6,158	15,535	147,413	23.94	(³)	-2	+2.1	-8.5	-4.5	+7.5
North Dakota.....	1,520	4,194	81,560	53.66	+1	+5	+3.4	-11.0	-10.5	+11.5
Ohio.....	7,623	20,627	412,474	54.11	(³)	+2	+4	-10.5	-9.8	-1.7
Oklahoma.....	14,611	34,660	485,991	33.26	+3	+4	+3	+7.0	+5.5	+4.8
Oregon.....	1,214	2,953	95,301	78.50	+7	+3	+9	+1.0	+1.1	+15.9
Pennsylvania.....	21,980	58,414	1,317,288	59.93	+1.0	+9	+4.9	-11.1	-9.8	+1.2
Rhode Island.....	1,185	3,080	80,647	68.06	+5	+5	+4	+6.0	+2.6	+11.9
South Carolina.....	3,641	10,668	87,656	24.07	+2.0	+1.6	+2.3	+6.5	+5.4	+13.7
South Dakota.....	1,462	3,366	47,387	32.41	+5	-2	-1	-7.2	-8.6	-4.8
Tennessee.....	11,019	28,725	342,044	31.04	-3	-3	-2	-2.3	-7	+4.4
Texas.....	10,924	23,883	227,441	20.82	+1.1	+1.0	+9	+12.4	+11.1	+10.2
Utah.....	1,848	4,930	135,199	73.16	+5	+8	+9	-4.0	-4.8	-5
Vermont.....	554	1,426	19,085	34.45	+4	+1.1	+9	-4.5	-3.9	-9
Virginia.....	3,519	10,014	101,631	28.38	+5	+7	+2.3	-6.8	-6.4	+7.9
Washington.....	3,374	8,325	293,112	86.87	+9	+1.0	+1.7	+3.1	+3.6	+10.6
West Virginia.....	6,993	19,492	230,167	32.91	+1.1	+7	+8	-2.3	+4	+1.9
Wisconsin.....	5,861	14,112	323,436	55.18	-8	-7	-4	-14.7	-14.5	-5.8
Wyoming.....	305	832	14,838	48.65	+1.7	+3.5	+2.5	-23.2	-20.5	-14.0

¹ For definitions of terms, see the *Bulletin*, September 1941, pp. 50-51. Figures in italics represent programs administered without Federal participation. Data exclude programs administered without Federal participation in Florida, Kentucky, and Nebraska, which administer such programs concurrently with programs under the Social Security Act. All data subject to revision.

² Total under plans approved by Social Security Board.

³ Increase of less than 0.05 percent.

⁴ Not computed. Average payment not calculated on base of less than 50 families; percentage change, on less than 100 families.

⁵ For description of concurrent program, see the *Bulletin*, April 1945, p. 26.

⁶ Decrease of less than 0.05 percent.

⁷ Estimated.

the special types of assistance.

Trend toward higher payments continued.—Average payments continued to rise during 1944, not as rapidly on the whole as in 1943, but consistently in most States. Only 3 States (Louisiana, Rhode Island, and Washington) of the 45 with complete data in the 2 months made lower payments on the average in December 1944 than in December 1943. The sharp drop from \$26.18 to \$19.22 in the average payment for Washington was wholly attributable to the new policy of supplementing payments to

recipients of old-age assistance; disregarding supplementation of old-age assistance, the average in Washington rose from \$36.18 to \$38.60. The decrease in the Louisiana average would likewise be reduced, if not eliminated, were data available to correct for the duplication in coverage between the city and State programs in New Orleans.

Despite the fact that the average general assistance case is considerably smaller than it was 4 years ago, the average payment has gone up substantially over the period. In December 1940, the average general assistance payment in 9 of the 45 States with complete data in the 2 months was under \$10; in December 1944, only 2 of these States had averages below \$10. At the other extreme, only 6 States averaged \$25 or more in the earlier month as compared with 24 States in the later month.

Higher payments were made possible during the war by the improved financial position of States and localities and by the decrease in general assistance loads. Available information is insufficient to compute the extent to which increases in payments have been offset by the rising cost of living and how far the increases may enable assistance recipients to adopt a higher level of living.

Assistance standards generally lower than for other programs.—In States where maximums are placed on the amount of categorical payments, it is sometimes possible for a needy family to receive more from general assistance than could be paid under a categorical program. With that exception, however, no State is known to be more generous to recipients of general assistance than to recipients of other forms of assistance, and many States are less generous. The discrimination against general assistance recipients may consist in different standards for requirements, or in different methods of evaluating resources, or in larger cuts in assistance below the amount of established need.

Standards of requirements common to all programs are becoming more frequent, especially in States where general assistance costs are borne wholly or mainly by the State. Oregon is one of the States that have recently adopted such standards.

Sometimes, as in Pennsylvania, standards for general assistance differ both in the amounts allowed for requirements and in the number of requirements considered.

Table 7.—General assistance: Total payments to cases and percent of payments made in cash, January-June 1944 and 1941¹

State	January-June 1944		January-June 1941	
	Amount	Per cent in cash	Amount	Per cent in cash
Total ² ..	\$46,529,862	63	\$158,379,711	50
Ala.....	211,386	³ 100	125,631	³ 100
Ariz.....	368,549	100	288,358	91
Ark.....	188,130	100	141,155	100
Calif.....	2,294,821	76	13,000,826	³ 94
Colo.....	827,268	96	1,018,820	69
Conn.....	512,202	31	1,839,442	17
Del.....	45,468	(⁴)	140,021	(⁴)
D. C.....	152,859	³ 100	318,046	³ 100
Fla.....	7240,000	(⁴)	353,090	(⁴)
Ga.....	181,304	100	244,228	100
Idaho.....	93,858	74	238,769	74
Ill.....	5,716,498	58	18,652,365	37
Ind.....	386,367	0	2,026,275	0
Iowa.....	554,384	10	2,315,261	4
Kans.....	589,964	73	1,333,740	32
Ky.....	³ 196,000	(⁴)	³ 297,000	(⁴)
La.....	³ 793,375	100	³ 1,178,880	100
Maine.....	379,961	0	1,120,041	0
Md.....	796,619	³ 100	1,036,653	³ 100
Mass.....	2,597,036	79	7,107,484	68
Mich.....	1,911,595	(⁴)	5,701,544	31
Minn.....	³ 1,016,535	0	4,056,107	0
Miss.....	14,941	0	10,928	0
Mo.....	1,287,525	63	1,944,976	1
Mont.....	188,479	84	356,011	52
Nebr.....	206,627	6	578,922	3
Nev.....	24,306	40	45,765	41
N. H.....	250,155	0	835,577	0
N. J.....	982,416	33	4,413,301	3
N. M.....	80,322	23	89,544	0
N. Y.....	12,799,443	(⁴)	49,733,357	(⁴)
N. C.....	144,322	0	204,734	21
N. Dak.....	99,231	53	278,326	22
Ohio.....	³ 944,712	0	7,045,652	0
Okl.....	236,423	0	292,076	(⁴)
Oreg.....	572,900	74	793,253	27
Pa.....	3,144,159	³ 100	19,379,253	95
R. I.....	394,062	93	1,172,717	(⁴)
S. C.....	162,670	³ 100	106,074	100
S. Dak.....	123,872	0	372,610	0
Tenn.....	³ 60,100	(⁴)	³ 116,000	100
Tex.....	³ 279,000	(⁴)	³ 524,000	(⁴)
Utah.....	358,054	³ 100	809,087	99
Vt.....	125,304	0	218,635	1
Va.....	298,866	98	338,289	100
Wash.....	1,343,572	93	1,245,894	48
W. Va.....	450,508	91	685,032	86
Wis.....	855,283	23	4,124,046	9
Wyo.....	62,431	92	122,956	83

¹ For definitions of terms, see the *Bulletin*, September 1941, pp. 50-61. All data subject to revision.

² Amounts partly estimated. Percents for States reporting in both periods.

³ Includes less than half of one percent payments in kind.

⁴ Data on payments from local funds not available.

⁵ Includes an estimate from the State Relief Administration of \$733,000 for June 1941.

⁶ Not available.

⁷ Estimated.

⁸ Includes \$60,615 local relief in 1944, and \$65,043 in 1941; excluded in computing percentages because type of payment not available.

⁹ Includes \$215,701 local relief; excluded in computing percentage because type of payment not available.

¹⁰ Excludes a small amount of local funds not administered by State agency.

¹¹ Includes an estimated amount of \$286,000 local relief, for which type of payment not available; percentage not computed.

Table 6.—Population and public assistance payments in the continental United States: Percentage distribution, by State, 1944

State (ranked according to 1943 per capita income)	Percentage distribution			
	Pop- ulation ¹	All public assistan- ce	Special types of public assistan- ce	General assistan- ce
Total.....	100.0	100.0	100.0	100.0
Connecticut.....	1.4	.9	.9	1.1
California.....	6.2	11.0	11.6	5.1
Nevada.....	.1	.1	.1	.1
Washington.....	1.5	3.6	3.6	3.2
Delaware.....	.2	.1	.1	.1
New York.....	9.8	9.0	7.2	26.0
District of Columbia.....	.6	.2	.2	.4
Rhode Island.....	.5	.5	.4	.8
New Jersey.....	3.2	1.4	1.3	2.3
Michigan.....	4.2	4.6	4.7	4.2
Oregon.....	.9	1.1	1.0	1.5
Illinois.....	5.9	7.4	6.9	12.2
Ohio.....	5.4	5.6	5.7	4.2
Massachusetts.....	3.2	5.1	5.1	5.6
Maryland.....	1.6	.7	.6	1.9
Indiana.....	2.7	2.4	2.5	1.6
Pennsylvania.....	7.3	5.8	5.7	6.8
Maine.....	.6	.7	.7	.8
Montana.....	.4	.5	.5	.4
Utah.....	.5	.9	.9	.8
Kansas.....	1.3	1.4	1.4	1.3
Wisconsin.....	2.3	2.3	2.4	1.7
Iowa.....	1.8	2.1	2.2	1.1
North Dakota.....	.4	.4	.5	.2
Idaho.....	.4	.5	.5	.2
Colorado.....	.8	2.5	2.6	1.8
Wyoming.....	.2	.2	.2	.1
Nebraska.....	.9	1.0	1.1	.4
Minnesota.....	2.0	2.6	2.6	2.1
Missouri.....	2.8	3.7	3.8	2.4
Vermont.....	.2	.2	.2	.3
Florida.....	1.6	1.5	1.6	.6
South Dakota.....	.4	.5	.5	.3
New Hampshire.....	.4	.3	.3	.5
Virginia.....	2.2	.5	.4	.6
Texas.....	4.9	5.2	5.7	.6
Arizona.....	.4	.6	.6	.8
Oklahoma.....	1.6	3.3	3.6	.5
Louisiana.....	1.8	1.7	1.7	1.6
West Virginia.....	1.4	.8	.8	1.1
New Mexico.....	.4	.4	.4	.2
Tennessee.....	2.2	1.3	1.4	.1
Georgia.....	2.3	1.2	1.2	.4
North Carolina.....	2.6	.7	.8	.3
Kentucky.....	2.0	.9	1.0	.4
Alabama.....	2.1	.8	.8	.5
South Carolina.....	1.4	.5	.5	.4
Arkansas.....	1.4	.8	.9	.4
Mississippi.....	1.6	.5	.6	(²)

¹ Estimated civilian population, November 1943, from the Bureau of the Census.

² Less than 0.05 percent.

Where general assistance is locally financed, a variety of standards may apply to general assistance recipients within the same State. The article on general relief in South Dakota, in this section of the *BULLETIN*, illustrates this point.

Cash payments for general assistance increasingly prevalent.—During the first 6 months of 1944 somewhat less than two-thirds of the general assistance given in the continental United States was in the form of cash. In the corresponding period of 1941, on the other hand, assistance in cash represented only about half of all general assistance. Even when the bulk of general assistance came from the Federal Treasury (under the Federal Emergency Relief Administration), the value of direct assistance given in kind exceeded that given in cash.¹

The shift toward providing general assistance in cash indicates that progress has been made in the direction of aiding needy persons without stigmatizing them and in a way that will preserve freedom of action and self-respect. It appears probable that State experience in administering the money payment to recipients of the special types of public assistance has encouraged the extension of cash payments to recipients of general assistance as well.

The greater prevalence of cash assistance in 1944 was not a result of a change in only a few States. Of 38 States providing data in both 1941 and 1944, only 5 gave proportionately less cash in the later period, whereas 22 gave proportionately more. The largest drop in the proportion of cash assistance occurred in California (from 84 to 76 percent). This drop apparently was due to the liquidation of the State relief program in the middle of 1941, which threw the entire burden of general assistance upon the local units, which frequently give assistance in kind.

Thirty-nine States reported the type of general assistance provided during the first half of 1944. Ten States gave no assistance in kind or less than 1/2 of 1 percent in kind, and 6 other States gave less than 10 percent of their general assistance in kind. Only 7 States gave no cash to

general assistance recipients, and only 2 others gave less than 10 percent of assistance in cash. The State assumed no responsibility for general assistance in 4 of the 7 States providing no cash assistance.

No noticeable trend toward increasing State participation in general assistance.—A serious obstacle to attaining uniform treatment of general assistance recipients from area to area is the lack of State participation, or the small proportion of State funds, in many areas. Unfortunately, no trend toward increasing the State share in general assistance payments is discernible. As a matter of fact a small, but not necessarily significant, shift has occurred in the direction of a larger local share.

In 1940, about 58 percent of general assistance expenditures for assistance in the continental United States came from State funds. In the following years this proportion decreased to 53 percent, 49 percent, and 47.5 percent, but increased slightly in 1944 to 48.6 percent. As compared with 1940, 18 States paid a smaller share of the general assistance bill in 1944, 13 States paid a larger share, and 18 States paid about the same. Fourteen States provided no State funds, and 3 others assumed only an insignificant part of the total bill (less than 2.5 percent). On the other hand, only Arizona and Pennsylvania had no local participation.

General Relief in South Dakota

The range and variety of practice in general assistance in many States is concretely illustrated by the following report of a study¹ made by the South Dakota Department of Social Security.

There is a great variety in the policies for granting general relief—often called county poor relief—in the counties of South Dakota. In September 1944 an analysis was made of the practices for the authorization of and determination of eligibility for general relief, and the method of giving and the restrictions governing general relief.

In most counties this assistance is authorized by the commissioner in

each district, unless the commissioner is doubtful as to the need of the applicant and wishes to present the application to the entire board. Five counties require the approval of the whole board of commissioners on all cases. Exceptions to this general practice include counties in which the director of the local public assistance agency either authorizes all cases or authorizes only emergencies—that is, cases receiving a single grant on a temporary basis. Two counties hire workers whose main duty is to administer county poor relief. The county auditor authorizes emergency cases in one county.

Oral applications are made in all but seven counties, where regular written forms are used. In these seven counties the request for assistance in an emergency is made orally.

Legal settlement is the most important factor in determining eligibility. To gain settlement the law requires 1 year of residence in the State and 90 days in the county unless a nonresident notice has been served to prevent a person from acquiring settlement. In such a case the county requires a year of residence before settlement is acquired. This interpretation of the law is followed in 35 counties, 4 require only 30 to 60 days' residence, and 11 require from 6 months to 5 years in the county. Eight counties reported no definite policy, while 6 did not report on gaining legal settlement.

The South Dakota settlement law specifies that a person loses settlement by acquiring a new one within the State or by being willfully absent from the State for a year. In 23 counties the commissioners abide by the law in determining whether or not a person has lost residence. Seven do not consider settlement lost until it has been gained in another State as well as another county. Four counties consider settlement lost if the person is out of the county 1 year, whether he remains in the State or not. Twelve allow less time than the law specifies for losing settlement. In 8 of these 12 a person loses settlement as soon as he leaves the county. Eight stated that no policy had been adopted regarding loss of settlement, and 10 made no report on their interpretation of the law.

According to the 1941 law a recipient of assistance retains his resi-

¹ *Final Statistical Report of the Federal Emergency Relief Administration*, pp. 20-21.

¹ *Public Welfare in South Dakota* (Department of Social Security), Vol. 7, No. 11 (November 1944), pp. 1-2.

dence in the county in which he began receiving assistance until 1 year after assistance is discontinued, regardless of where he moves within the State.

Closely connected with the problem of legal settlement is that of transients, who receive only emergency aid in most counties. An attempt is then made to determine the county in which the transient has legal settlement in order that his home county may be billed. In 16 counties transients are referred either to the local Red Cross or to the sheriff or police. When assistance is granted by the county it includes enough to enable the transient to reach the next county seat or to reach his destination. Another county provides care at the county poor farm—reported to be very uninviting. Three counties reported the refusal of aid to transients, while 3 others have had no requests for such aid.

Supplements to old-age assistance, aid to the blind, and aid to dependent children are furnished by the counties if the commissioners agree that a need exists in excess of the regular public assistance payment. In most of these cases the local public assistance director is consulted and receives the cooperation of the commissioners.

Aid is given to supplement low incomes in cases in which there is illness in the family or the person is physically or mentally incapable of earning more.

In counties with an Indian population, the practice is to refer an Indian applying for assistance to the Indian agency to secure aid. He is sometimes encouraged to return to the reservation.

The authorities in 11 counties consider the employability of a person before aid is granted. The ownership of a car prevents people from receiving county aid in 10 counties. Two grant no aid to a person who makes habitual use of liquor. Two others refuse aid to those owning unnecessary property. Here the interpretations of the word "unnecessary" by different commissioners are bound to vary. In other counties, character of the applicant and public opinion are reported to influence the commissioners in granting assistance.

Relief is granted by a written or an oral order on the merchants except in the following instances. One county gives cash for all food needs.

Four others give cash for all the needs of regular recipients. Two will allow limited charge accounts. Three grant cash only in exceptional cases, while one gives cash if necessary to supplement needs supplied by orders. Another county gives orders on the county commissary rather than on the merchants.

A special analysis was made of the bills paid in September, most of which were for assistance granted during August. Total subsistence expenditures amounted to \$15,900, of which 52 percent went to people receiving no other public aid, 39 percent to people in need of supplements to old-age assistance, aid to the blind, or aid to dependent children, and 9 percent to people having a small private income or receiving other aid. Included in the 39 percent were single-person cases living on a board-and-room basis whose public assistance grant was insufficient to pay their board bills. This group also included families in which the only resource was a public assistance grant payable to one member but insufficient to meet the needs of the entire group. Of the amount spent for subsistence to supplement public assistance grants, 54 percent went to single cases and 46 percent to families.

Six counties reported that a definite effort is made to adjust the amount of assistance given to the size of the family and to the circumstances of the applicants, although no exact standards were indicated.

One county gives a \$5 order at a time, another county a \$10 order at a time. Variations among the counties in the standards indicated for food allowances are shown by the following amounts, each representing a standard in use in a county:

\$0.75 per week per person
7.00 per single case, \$12 for 2 persons per month
7.50 per person per month
8.00 single, \$15 for 2 persons
10.00 for food and clothing for a single person, \$15 for 2 persons
10.00 for a single person plus \$5 for each additional person
10.00 for a single person, \$16 for 2 persons, and so forth
15.00 for a single person, \$30 for 2 persons (maximum)

Four counties and one commissioner in a fifth county use the State department's standard budget for food. Maximum allowances for rent were given as \$5 in one county, \$8 in

two counties, \$10 in one county, and \$12 in another. Five counties indicated that no rent allowance was included.

How States Provide for Medical Care of Recipients*

States vary considerably in methods of providing for medical care for recipients of assistance and sometimes for other persons who cannot pay for the care they require, but certain general procedures are ordinarily followed. The public welfare agency decides the scope of services that may be included. At one extreme, care may be limited to emergency care. At the other, it may include, for example, care by a physician, dentist, or nurse; hospital or clinic care; necessary drugs and medical supplies; appliances such as glasses, braces, and artificial limbs; laboratory tests; other diagnostic services; and convalescent and nursing-home care. Standards of quality, quantity, and cost are usually established with the help of representatives of the professional groups who supply the services. These are used as a guide in determining when and under what circumstances medical care or costs of care will be provided.

In some States the agency gives the recipient enough assistance money so that he can get necessary services. He makes his own arrangement for care with the doctor or hospital. In States where the agency assumes responsibility for providing the recipient with medical services, rather than with money, the recipient is usually free to choose his medical attendant, but the assistance agency pays the doctor or hospital from State or local funds. A few agencies employ physicians to give care to recipients, and some others make lump-sum payments to a group of physicians—such as a county medical society—whose members care for recipients when they are ill.

Different administrative methods are used among States and among

*For a general statement of the problem of Federal participation in costs of medical care of public assistance recipients, see pp. 3-5.

local units within States. In New York State, for example, localities plan for medical care for recipients in several ways. In one pattern which was established originally under the Federal Emergency Relief Administration, services are authorized and paid for on a fee basis by the agency under agreements between the agency and practitioners and hospitals. Procedures are outlined in a medical care chart distributed to the agency staff. Standards and maximum costs for which State funds are available are listed by type and amount of service. In other local areas the public assistance agency employs physicians to provide care to recipients. In these two methods the costs are met by State and local funds. Other counties use methods which permit some Federal matching. Recipients receive assistance payments which include the costs of all or certain types of necessary medical care and services. In New York City, for example, costs of physician's services are included in determining the amount of the assistance payment. Drugs are provided under a payment-to-vendor plan with free choice of druggist. Prosthetic appliances are purchased from specified dealers under a contract. Hospitalization is the responsibility of another agency.

Connecticut also uses a combination of methods for making medical care available to recipients of public assistance. The costs of services of physicians, dentists, nurses, and druggists are commonly included in the assistance payment, while the agency pays hospital costs directly from State funds appropriated specifically for hospital care.

In Washington the State agency has different plans for the different assistance programs; the most extensive plan is for old-age assistance. Physician's services and drugs are

provided through medical service bureaus originally organized to administer prepayment medical care plans for employed groups. Services other than physician's care and drugs are authorized and provided by the agency. Detailed rules and regulations have been prepared for the guidance of the agency staff and the suppliers of service. Cost standards are established on the basis of fees for services. Payments are made by the agency from funds appropriated specifically for medical care for old-age assistance.

Rhode Island is experimenting in a few towns with including the costs of all medical care on a fee basis in the assistance payment. The State expects to extend the plan as the necessary procedures become better defined and understood. A booklet has been prepared to give recipients information they need in obtaining medical care and in presenting evidence of medical need to the agency. This is one of the first instances in which information about the medical care policies of the agency has been directed to the user of medical services.

In about half the counties in Kansas the public assistance agency has developed prepayment plans with the county medical society. These plans differ in scope of services, in costs, and in methods of collecting the premiums. They are alike in that all are available only to recipients of assistance and are administered by the county medical society. For recipients of old-age assistance, aid to the blind, and aid to dependent children who wish to join, the cost of the premium is included in arriving at the amount of the assistance payment. The recipient pays the premium as he would pay for his other insurance. For recipients of general assistance the agency pays premiums directly to the medical society or its represent-

atives. The scope of care and the amount of the premiums are determined by agreement between the assistance agency and the local medical society. The range of service varies. Some county plans are limited to physician's services and drugs. Others include hospital and clinic care as well.

In Pennsylvania, responsibility for the administration of the medical care program for assistance recipients is shared by the public assistance agencies and committees made up of representatives of the professional groups participating. Policies and standards are established by the State agency with the help of the State Healing Arts Committee. The State agency makes monthly allocations of funds for medical services to each county on the basis of the number of persons receiving assistance in that county. The County Healing Arts Committee approves the invoices submitted, and payment is made by the county public assistance agency. When costs exceed the monthly allocation, the county committee recommends the amount of proration among individual practitioners.

The plans described illustrate the methods now used in some States. A great deal more information than is now available is necessary to enable public assistance agencies to develop further effective provisions for medical care. As one step toward this objective the Bureau of Public Assistance is planning a study of the medical aspects of public assistance in an attempt to obtain pertinent data on a uniform basis. The study includes information about methods of administration, types of medical services made available, number of cases, and cost of services. The study is now being tried out in a few States and later will be presented for the participation of all States on a voluntary basis.

Employment Security

Unemployment Compensation

March activities.—As in recent months, the March claims load represented mainly women and older persons—two groups for whom it is getting increasingly difficult to find jobs; workers laid off temporarily because of contract cancellations, changes in types of war production, and other reasons; and persons affected by seasonal unemployment.

March claims and benefit payments rose appreciably from February levels but were below those in March 1944. Among the administrative factors contributing to the rise was the fact that some of the States with uniform benefit years beginning in April accepted claims in March from workers filing new claims to establish such benefit years. In addition, flood conditions in some areas, particularly along the Ohio River, caused a complete stoppage of work, with resultant claims from a large proportion of the workers affected.

In the 48 States for which March data are available, initial claims filed in local offices were up 7.6 percent from the February number, and continued claims increased 6.5 percent. Compared with the number in March 1944, however, initial and continued claims were respectively 11.9 and 8.3 percent less. Benefit payments totaled \$7.2 million, 13 percent more than in February, and only slightly less than the amount disbursed in March 1944; these payments went to a weekly average of 103,000 individuals for 447,000 weeks of compensable unemployment. The number of first payments issued (44,000) was 10 percent below the levels of both February 1945 and March 1944. The number of persons exhausting their benefit rights (almost 12,000), on the other hand, was 31 percent greater than in the preceding month and 2.1 percent more than a year earlier.

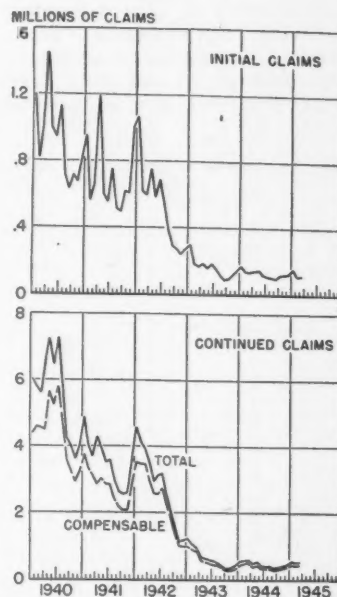
The \$20.9 million disbursed for benefits in the first quarter of 1945 was 46 percent higher than the amount paid in the preceding 3 months. The average weekly benefit amount for total unemployment rose from \$16.54 to \$16.68. The amount collected declined 17 percent, pri-

marily as a result of the \$3,000 limitation; first-quarter collections represent receipts from contributions on wages earned during the fourth quarter and the taxable portion of such wages is likely to be the lowest for the year. For each dollar collected during January–March, 8 cents was paid in benefits. For the entire period of operations through this March, the ratio was 27 cents per dollar collected. At the end of the month, \$6.3 billion, or 26 percent more than in March 1944, was on reserve for future benefit payments.

In 22 of the 48 States, initial claims rose above the February number, and in 13 States the volume exceeded that a year earlier. Continued claims loads were higher than in February in 26 States, and higher than in March 1944 in 14 States.

The sharpest increases over February occurred in Indiana and Kentucky, where mass lay-offs because of the Ohio River flood caused initial claims to jump 166 and 110 percent, respectively. In Indiana, the thousands of workers flooded out included more than 9,000 in the shipyards at Evansville and Jeffersonville. Material shortages were also responsible for a lay-off of some 2,000 workers in

Chart 1.—Number of initial and continued claims received in local offices, January 1940–March 1945



the Evansville area, 1,500 of whom filed claims for benefits.

The 6-percent increase in the initial claims filed in local offices in Illinois was due to the State's procedure in allowing new claims applicable to the new benefit year (beginning April 1)

Table 1.—Summary of unemployment compensation operations, March 1945 and April 1944–March 1945

Item	March 1945			April 1944–March 1945		
	Number or amount	Percentage change from—		Number or amount	Percentage change from—	
		February 1945	March 1944		April 1943–March 1944	April 1942–March 1943
Initial claims ¹	112,926	+7.6	-11.9	1,394,280	-14.8	-69.7
New ²	73,693	+9.2	-12.6	950,185	-12.5	(³)
Additional ⁴	36,614	+4.3	-9.3	413,651	-17.6	(⁵)
Continued claims ¹	527,988	+6.5	-8.3	5,294,120	-12.4	-78.0
Waiting-period ¹	74,549	-5.0	-11.9	928,601	-14.7	-73.2
Compensable ¹	453,439	+8.6	-7.7	4,365,519	-11.8	-78.8
Weeks compensated	447,277	+11.7	-8.0	4,189,485	-10.9	-79.6
Total unemployment	404,688	+12.1	-8.4	3,756,922	-10.3	-79.9
Part-total unemployment ¹	8,667	-3.7	-43.5	104,216	-22.5	-80.9
Partial unemployment ²	31,445	+11.0	+23.9	272,434	-8.8	-75.1
First payments ⁷	44,296	-9.9	-10.0	523,199	-4.4	-73.1
Exhaustions ⁸	11,936	+31.1	+2.1	103,689	-23.9	-87.1
Weekly average beneficiaries	103,216	+3.1	-8.0	79,990	-10.9	-79.6
Net benefits paid ¹¹	\$7,222,144	+12.6	-4	\$64,776,797	+8	-74.5
Benefits paid since first payable ¹¹	\$2,195,274,762					
Funds available as of Mar. 31	\$6,344,955,460	+4	+25.0			

¹ Excludes Connecticut, Idaho, and Oregon; data not reported.

² Excludes Texas because data not available, and Wisconsin because data not comparable.

³ Data not available.

⁴ Excludes Florida, Indiana, Maryland, Ohio, and Pennsylvania, which have no provision for filing additional claims.

⁵ Excludes New York because data not reported,

and Montana and Pennsylvania, which have no provisions for partial and part-total unemployment.

⁶ Based on 47 States reporting comparable data.

⁷ Excludes Wisconsin; data not comparable.

⁸ Based on 49 States reporting comparable data.

⁹ Excludes Wisconsin and Wyoming; data not comparable.

¹⁰ Based on 48 States reporting comparable data.

¹¹ Adjusted for voided benefit checks.

to be filed during the last week of March. Of the more than 2,000 such claims filed, the majority represented a continuation into the new benefit year rather than new spells of unemployment. Compensable unemployment declined, on the other hand, largely as a result of more favorable

weather; the decline was confined almost exclusively to the Chicago area. Although construction increased in the vicinity of Chicago, floods in the Ohio and Saline River valleys caused a rise in compensable unemployment in those areas, particularly in mining and construction.

In California, cut-backs in shipbuilding and, to a lesser extent, in other war industries were primarily responsible for increases of 10 percent in initial claims and 30 percent in continued claims. Unfavorable weather conditions cut down work in the agricultural and lumbering in-

Table 2.—Number of beneficiaries, number of weeks compensated, and amount of benefits paid, March 1945, and average weekly benefit amount paid for total unemployment, January–March 1945 and October–December 1944, by State

[Data reported by State agencies, corrected to Apr. 25, 1945]

Social Security Board region and State	Beneficiaries			Weeks compensated for specified types of unemployment				Benefits paid ¹			Average weekly benefit amount	
	Average weekly number	Percentage change from—		All types	Total	Part- total ²	Partial ²	Amount	Percentage change from—		January- March 1945	October- December 1944
		February 1945	March 1944						February 1945	March 1944		
Total.....	103,216	+3.1	-8.0	447,277	404,688	8,667	31,445	\$7,241,659	+12.5	-1.5	\$16.68	\$16.54
Region I:												
Connecticut.....	1,629	-1.5	+21.3	7,057	6,618	170	269	135,423	+7.0	+32.6	19.52	19.29
Maine.....	924	-32.8	+47.8	4,003	3,609	81	313	47,988	-16.4	+76.4	10.92	12.25
Massachusetts.....	2,846	-14.2	-38.0	12,332	11,123	89	1,120	193,978	-7.8	-34.6	16.63	16.59
New Hampshire.....	216	-11.8	-49.2	934	831	2	101	10,349	-3.3	-45.4	11.68	11.38
Rhode Island.....	1,293	-4.4	-2.6	5,604	4,611	0	993	87,528	+3.9	-2.3	16.80	16.61
Vermont.....	76	-19.4	-39.0	324	308	4	12	3,888	-14.9	-37.6	12.48	12.60
Region II-III:												
Delaware.....	230	-3.4	+90.1	995	873	14	108	15,054	+17.7	+98.6	15.70	16.21
New Jersey.....	4,721	+4.0	-23.6	20,458	18,944	60	1,454	326,572	+12.2	-22.1	16.70	16.77
New York.....	14,518	-7	-16.5	62,911	60,434	(1)	(1)	1,021,727	+7.4	-12.7	16.63	16.59
Pennsylvania.....	3,492	-11.6	-22.9	15,130	15,130	(1)	(1)	236,105	-3.6	-20.6	15.74	15.42
Region IV:												
District of Columbia.....	600	-11.4	-52.2	2,601	2,531	59	11	45,995	-3.6	-53.0	17.74	17.86
Maryland.....	855	-3.5	-1	3,706	2,936	30	740	59,693	+6.3	+9.5	18.20	18.50
North Carolina.....	883	+32.4	-47.6	3,825	3,632	58	135	32,551	+34.4	-35.0	9.15	9.94
Virginia.....	430	0	-32.0	1,854	1,669	43	152	19,822	+3.2	-39.9	11.41	11.95
West Virginia.....	858	+2.1	-21.8	3,720	2,114	0	1,606	45,459	-4.4	-34.8	14.77	14.88
Region V:												
Kentucky.....	1,146	-1.1	-26.5	4,967	4,623	273	71	53,185	+9.9	-25.2	10.96	10.88
Michigan.....	13,435	+4.1	+75.5	58,220	57,468	342	410	1,119,133	+12.7	+80.8	19.36	19.43
Ohio.....	1,514	+7.0	-44.2	6,560	6,187	148	225	93,560	+17.7	-42.6	14.54	14.42
Region VI:												
Illinois.....	7,843	-15.3	-18.4	33,986	29,761	2,070	2,155	583,133	-6.2	-9.4	18.26	17.98
Indiana.....	1,507	-5.6	-69.8	6,532	5,996	88	478	99,564	+2.2	-71.2	15.93	16.19
Wisconsin.....	782	-10.7	-79.3	3,389	2,783	138	468	48,620	-2.9	-78.9	15.00	14.13
Region VII:												
Alabama.....	1,140	+8	+29.4	4,939	4,868	47	24	56,861	+9.4	+28.8	11.65	11.80
Florida.....	968	-24.7	+29.9	4,196	3,770	262	164	54,586	-19.6	+28.1	13.68	12.88
Georgia.....	2,096	+61.0	+94.1	9,083	8,915	37	131	103,208	+73.0	+119.1	11.76	12.70
Mississippi.....	305	-3	-10.0	1,323	1,228	24	71	15,027	+16.6	-1.3	11.11	11.47
South Carolina.....	675	+9.8	+7.0	2,926	2,830	27	69	29,228	+15.6	-2.1	10.47	11.36
Tennessee.....	2,923	-5.8	+11.2	12,066	12,252	223	191	147,196	+2.0	+16.5	11.80	11.81
Region VIII:												
Iowa.....	674	-1.3	-37.9	2,922	2,638	180	104	31,701	+6.8	-37.0	11.36	12.39
Minnesota.....	1,053	-6.0	-42.0	4,565	4,048	229	288	62,489	+1.3	-42.8	14.43	14.74
Nebraska.....	174	+6.7	-62.6	756	444	16	296	9,183	+25.5	-64.4	13.27	11.68
North Dakota.....	68	-10.5	+13.3	294	119	12	163	3,300	-3.3	+9.1	12.55	12.75
South Dakota.....	58	-37.0	-62.1	253	182	0	71	2,075	-35.6	-66.2	9.26	9.02
Region IX:												
Arkansas.....	269	-8.8	-51.0	1,164	1,125	23	16	12,209	-4.5	-54.8	10.98	11.35
Kansas.....	405	-17.8	-71.6	1,753	1,518	75	160	20,793	-9.9	-74.1	12.54	13.13
Missouri.....	1,182	-8.2	-57.4	5,124	4,077	131	916	63,593	-1.0	-63.8	13.65	14.36
Oklahoma.....	330	+8.2	-67.8	1,432	1,102	82	248	18,504	+18.8	-70.4	13.92	14.93
Region X:												
Louisiana.....	724	-12.2	-39.6	3,138	2,473	115	550	43,325	-3.1	-32.9	14.94	15.10
New Mexico.....	35	(3)	(3)	153	148	2	3	1,739	+65.8	-11.1	11.62	11.55
Texas.....	1,146	+4.3	+10.2	4,964	4,806	158	0	61,801	+14.3	+24.6	12.49	11.88
Region XI:												
Colorado.....	76	-11.6	-75.6	328	311	15	2	4,408	-4.3	-75.3	13.53	13.55
Idaho.....	167	+22.8	+3.7	722	704	18	0	11,109	+29.0	+10.2	15.63	14.00
Montana.....	197	+2.1	-45.7	855	855	(1)	(1)	11,100	+10.1	-44.6	12.97	12.27
Utah.....	297	+3.8	-22.0	1,210	1,210	64	14	24,360	+13.1	-20.7	19.21	19.18
Wyoming.....	13	(3)	(3)	58	53	5	0	951	+36.2	+77.1	16.20	11.78
Region XII:												
Arizona.....	121	+8	-65.6	523	516	6	1	7,194	+7.2	-66.9	13.89	14.23
California.....	25,654	+20.5	+36.0	111,166	92,226	2,934	16,006	2,001,296	+31.1	+42.8	18.77	18.69
Nevada.....	75	+29.3	-9.6	327	323	4	0	4,736	+40.9	-9.3	14.65	14.72
Oregon.....	682	+76.2	+84.8	2,955	2,561	117	277	40,802	+86.2	+95.1	14.51	14.33
Washington.....	1,768	+61.2	+155.5	7,692	6,614	193	855	110,451	+77.1	+162.4	14.68	14.22
Territories:												
Alaska.....	142	+47.9	+21.4	616	587	29	0	8,952	+55.1	+32.4	15.12	15.39
Hawaii.....	2	(3)	(3)	8	4	0	4	131	-80.1	-89.0	19.16	18.62

¹ Excludes New York because data not reported, and Montana and Pennsylvania, which have no provisions for partial and part-total unemployment.

² Not adjusted for voided benefit checks

³ Not computed, because fewer than 50 beneficiaries were reported in either or both periods.

dustries, also. The State's claimant group is composed principally of women and older persons, but there is a continuing demand for skilled workers and for laborers able to perform heavy physical work.

Continued lay-offs in shipbuilding were also reported in Delaware, Georgia, Maine, Massachusetts, Oregon, Rhode Island, and Wisconsin. March claims loads fell off in some of these States, however, indicating that many of these workers were absorbed in other industries.

Nearly 80 percent of the Nebraska benefit payments went to workers formerly employed in construction and in food and kindred-products industries.

Several States, particularly those where seasonal industries predominate, report that the peak claims load has been reached for the year. Louisiana, however, believes that the March claims load reflects the beginning of less favorable employment opportunities and expects further increases in the load.

Significant increases over the fourth quarter in the amount of benefits paid during January-March are noted in many of the larger predominantly industrial and agricultural States. The industrial areas of California, Illinois, Michigan, and Ohio reported sharp gains in payments, as did the areas where curtailment in the shipbuilding program has had marked effect—Delaware, Georgia, Maine, Oregon, and Washington. Relative increases in benefit payments were also very large in the West North Central and Rocky Mountain areas, where severe winter weather curtailed logging, lumbering, construction, agriculture, and other outside work.

Collections for the quarter were lower than in October-December in all but three jurisdictions—the District of Columbia, Nebraska, and South Dakota. Twelve of the 29 States with decreases amounting to 10 percent or more reported declines of at least 20 percent, and Alaska's first-quarter collections fell off 50 percent.

In 30 States, less than 5 cents was paid in benefits during the quarter for every dollar collected. In only 7 States were the benefit payments more than 10 percent of collections; in two of these—the District of Columbia and Michigan—32 and 37 cents, respectively, were paid per dollar of collections. The ratio of bene-

Table 3.—Initial and continued claims received in local offices, State, March 1945

[Data reported by State agencies,¹ corrected to Apr. 26, 19

Social Security Board region and State	Initial claims			Continued claims			
	Total ²	Percentage change from—		New	Total ³	Percentage change from—	
		February 1945	March 1944			February 1945	March 1944
Total ⁴	112,926	+7.6	-11.9	673,693	527,968	+6.5	-8.3
Region I:							
Connecticut ⁴							
Maine	882	+34.5	-7.8	632	4,347	-24.3	+52.1
Massachusetts	4,919	+3.1	+9	2,460	14,513	-6.2	-25.7
New Hampshire	239	-6.6	-75.7	146	1,128	-4.8	-55.2
Rhode Island	2,116	+57.7	+8.0	1,736	5,854	+3.2	+9.0
Vermont	82	+6.5	-27.4	62	475	-8.8	-32.8
Region II-III:							
Delaware	320	+26.9	+65.0	297	1,193	+14.3	+124.2
New Jersey	6,946	+5.9	-8.9	4,054	23,616	-7.7	-21.9
New York	18,551	+4.2	-17.1	7,593	73,769	-2	-13.2
Pennsylvania ¹	3,062	-27.3	-16.1	3,062	20,560	-5.5	-21.1
Region IV:							
District of Columbia	302	-23.4	-34.8	261	3,046	-6.2	-46.8
Maryland ¹	465	-7.7	-73.7	465	3,071	-6.0	-17.4
North Carolina	1,119	-5	-67.8	959	5,038	+27.0	-57.1
Virginia	263	-20.3	-35.1	179	1,726	-5.8	-24.5
West Virginia	1,725	+22.2	+108.3	1,613	5,325	-1.9	-14.9
Region V:							
Kentucky	2,602	+109.8	+52.0	2,203	8,776	+24.9	-19.7
Michigan	14,296	+16.0	+10.0	10,859	67,464	+5.6	+77.2
Ohio ¹	2,415	-28.9	-32.8	2,415	9,112	+9.1	-42.9
Region VI:							
Illinois	12,331	+6.5	-27.2	6,885	37,112	-10.0	-15.3
Indiana ¹	4,346	+165.6	+86.4	4,346	9,771	+4.7	-55.1
Wisconsin	969	+11.6	-44.9	(⁵)	4,755	-1	-74.5
Region VII:							
Alabama	900	+9.0	+25.3	749	5,573	+7.3	+13.9
Florida ¹	953	-15.6	+2.4	933	8,172	-12.6	+4.4
Georgia	1,246	-14.1	+73.5	861	10,868	+26.4	+73.3
Mississippi	455	+24.3	-4.8	397	2,179	+1.9	-19.6
South Carolina	711	+19.3	-6.0	586	4,053	+4.8	-13.9
Tennessee	1,738	-25.6	-20.4	1,436	15,293	-9.7	+10.9
Region VIII:							
Iowa	517	-22.3	-22.3	393	3,892	-1.9	-39.3
Minnesota	484	-23.1	-79.2	376	5,350	+7	-59.2
Nebraska	128	-2.3	-52.8	102	791	+4.1	-58.8
North Dakota	21	(⁶)	(⁶)	13	387	-3.0	+1.3
South Dakota	63	-28.4	-40.0	58	438	-16.6	-51.9
Region IX:							
Arkansas	486	+38.5	-31.5	432	2,974	+33.8	-33.3
Kansas	441	+22.5	-60.3	340	2,319	-5.1	-62.5
Missouri	1,613	-15.7	-74.5	1,414	7,165	-8.7	-63.6
Oklahoma	506	+15.5	-54.1	467	2,790	+17.4	-60.3
Region X:							
Louisiana	911	-1.3	-38.9	722	4,024	-8.6	-51.2
New Mexico	47	(⁶)	(⁶)	43	293	+21.6	-28.4
Texas	1,650	+12.7	-8.2	(⁶)	10,118	+6.4	-8.5
Region XI:							
Colorado	118	+9	-71.4	99	517	-11.8	-72.1
Idaho ¹							
Montana	98	-31.9	-50.3	86	1,052	+3.4	-45.0
Utah	191	-3.2	-37.8	119	1,277	+6.4	-28.9
Wyoming	23	(⁶)	(⁶)	22	100	+40.8	+92.3
Region XII:							
Arizona	253	-12.5	-49.6	231	1,250	+5.9	-52.9
California	18,982	+10.2	+33.4	11,977	126,879	+29.9	+40.6
Nevada	60	-46.4	-17.8	49	348	-38.8	+18.0
Oregon ⁴							
Washington	2,216	-3.1	+57.1	1,570	8,210	+44.0	+108.0
Territories:							
Alaska	93	-43.6	+36.8	59	881	+16.2	+27.7
Hawaii	2	(⁶)	(⁶)	2	4	(⁶)	(⁶)

¹ Except claims taken by U. S. Employment Service personnel, which are reported by War Manpower Commission.

² Includes additional claims, except in Florida, Indiana, Maryland, Ohio, and Pennsylvania.

³ Includes waiting-period claims.

⁴ Excludes Connecticut, Idaho, and Oregon; data not reported.

⁵ Based on data for 48 States.

⁶ Excludes Texas because data not available, and Wisconsin because data not comparable.

⁷ State procedures do not provide for filing additional claims.

⁸ Excludes all claims for partial unemployment.

⁹ Not computed, because fewer than 50 claims were reported in either or both periods.

fits to collections has fallen off sharply during the past 2 years, as payments dropped to a very low level. Disbursements since the beginning of the program were less than one-third of total collections in each of 43 States, and less than one-fifth in 12 of these. The range among the States

was from 5.7 cents in Hawaii to 41 cents in Michigan.

All State funds available for benefits on March 31 showed increases from the amount on hand at the close of 1944; the increases ranged from 1.2 percent in the District of Columbia to 7.2 percent in Mississippi.

Table 4.—State unemployment compensation funds available for benefits as of March 31, 1945, collections and interest, benefits paid, and ratio of benefits to collections, January–March 1945 and cumulative through March 1945, by State

[Data reported by State agencies,¹ corrected to Apr. 26, 1945]

Social Security Board region and State	Funds available for benefits as of Mar. 31, 1945		Contributions collected ¹				Benefits paid ²				
	Amount ³ (in thou- sands)	Percentage change from Dec. 31, 1944	Cumulative through March 1945 ⁴ (in thousands)		January–March 1945		Cumulative through March 1945 ⁵ (in thousands)	January–March 1945		Ratio (percent) of ben- efits to collections	
			Collections and interest ⁶	Collections	Collections	Percentage change from October– December 1944		Amount	Percentage change from October– December 1944	January– March 1945	Cumula- tive through March 1945
Total.....	\$6,344,955	+4.5	\$8,540,327	\$8,101,809	\$264,558,243	-17.0	\$2,195,275	\$20,911,659	+46.5	7.9	27.1
Region I:											
Conn.....	161,396	+4.0	192,094	181,497	5,840,430	-20.9	30,698	410,503	+5	7.0	16.9
Maine.....	33,099	+4.7	47,782	46,064	1,523,318	-19.9	14,683	180,053	+112.2	11.8	31.9
Mass.....	206,393	+3.0	319,170	301,318	5,774,106	-10.3	112,777	673,245	+7.2	11.7	37.4
N. H.....	20,369	+4.3	29,332	27,792	775,107	-6.3	8,963	34,168	+13.3	4.4	32.3
R. I.....	96,272	+5.1	100,279	96,312	3,175,453	-11.6	34,008	262,439	-9.8	8.3	35.3
Vt.....	11,437	+4.8	14,714	13,920	482,585	-9.5	3,276	15,965	+5.5	3.3	23.5
Region II–III:											
Del.....	14,108	+1.9	16,926	15,604	232,082	-20.0	2,818	39,659	+70.7	17.1	18.1
N. J.....	411,428	+4.1	485,440	456,516	15,249,093	-23.9	74,012	1,013,608	+7.4	6.6	16.2
N. Y.....	887,671	+5.6	1,318,357	1,263,282	40,274,057	-15.8	430,686	3,077,929	+39.7	6.7	34.1
Pa.....	578,813	+2.8	795,495	757,447	13,683,273	-15.2	216,682	824,090	+47.5	6.0	28.6
Region IV:											
Dist. of Col.....	42,107	+1.2	51,737	47,736	431,505	+12.8	9,631	136,678	+80.9	31.7	20.2
Md.....	115,799	+4.7	148,941	142,362	4,885,342	-19.6	33,142	192,365	+30.9	3.9	23.3
N. C.....	95,969	+5.4	120,727	114,609	4,580,590	-4.3	24,758	84,126	+29.0	1.8	21.6
Va.....	59,757	+3.9	82,685	78,137	2,004,583	-8.2	22,928	59,344	+49.7	3.0	29.3
W. Va.....	64,556	+4.1	91,805	87,419	2,383,416	-18.9	27,249	146,489	+41.7	6.1	31.2
Region V:											
Ky.....	80,628	+3.6	97,212	90,700	2,723,185	-23.8	16,488	168,458	+6.7	6.2	18.2
Mich.....	265,940	+2.7	439,184	420,326	9,107,545	-27.0	173,244	3,364,546	+50.3	36.9	41.2
Ohio.....	440,554	+3.8	518,178	483,342	14,167,679	-26.6	77,624	258,999	+61.7	1.8	16.1
Region VI:											
Ill.....	482,793	+3.8	628,567	589,239	17,224,389	-14.5	145,774	1,948,178	+32.6	11.3	24.7
Ind.....	169,738	+4.8	225,813	214,325	7,253,054	-14.4	56,075	313,302	+16.3	4.3	26.2
Wis.....	164,736	+7.1	193,680	181,260	10,287,692	-8.6	28,944	163,192	+7.9	1.6	16.0
Region VII:											
Ala.....	62,181	+4.3	88,073	83,770	2,444,709	-2.9	25,892	172,146	-16.4	7.0	30.9
Fla.....	50,271	+7.1	72,021	69,011	3,305,382	-4.4	21,750	201,840	-3.3	6.1	31.5
Ga.....	72,263	+5.1	88,958	83,808	3,386,974	-10.6	16,695	198,672	+166.9	5.9	19.9
Miss.....	22,440	+7.2	31,358	30,093	1,454,103	-7.2	8,918	44,749	+40.9	3.1	29.6
S. C.....	35,562	+4.7	45,219	42,523	1,500,283	-7.1	9,657	76,904	+63.8	5.1	22.7
Tenn.....	74,318	+6.6	105,571	101,445	4,741,425	-10.8	31,253	458,708	+23.0	9.7	30.8
Region VIII:											
Iowa.....	56,331	+6.0	73,613	69,709	3,003,007	-8.0	17,282	82,475	+111.9	2.7	24.8
Minn.....	79,191	+6.2	119,440	114,149	4,429,027	-11.5	40,249	176,274	+265.0	4.0	35.3
Nebr.....	24,157	+5.5	29,923	28,059	1,163,559	+2.3	5,766	21,519	+305.9	1.8	20.5
N. Dak.....	4,715	+4.6	6,816	6,396	192,354	-4.0	2,102	9,026	(*)	4.7	32.9
S. Dak.....	6,061	+3.3	7,451	6,862	171,075	+21.2	1,391	7,358	+385.7	4.3	20.3
Region IX:											
Ark.....	26,306	+5.6	34,973	33,233	1,312,245	-3	8,667	38,860	+8.2	3.0	26.1
Kans.....	48,879	+5.1	58,176	54,914	2,239,320	-21.3	9,297	74,576	+33.8	3.3	16.9
Mo.....	145,679	+4.4	176,062	164,354	5,704,519	-14.8	30,383	209,979	-10.0	3.7	18.5
Okla.....	44,139	+4.5	58,561	54,965	1,737,012	-5.2	14,423	54,241	-4.2	3.1	26.2
Region X:											
La.....	69,814	+6.5	100,666	96,361	4,088,817	-13.3	30,852	143,815	+14.4	3.5	32.0
N. Mex.....	8,954	+5.5	12,729	12,078	431,012	-3.4	3,775	3,829	+124.4	.9	31.3
Tex.....	143,669	+4.0	184,711	173,383	5,033,273	-17.8	41,043	178,864	+42.5	3.6	23.7
Region XI:											
Colo.....	31,628	+4.2	42,622	40,144	1,144,891	-4.0	10,994	13,342	+10.0	1.2	27.4
Idaho.....	13,284	+5.6	20,368	19,550	665,467	-3.3	7,085	24,463	+389.7	3.7	36.2
Mont.....	16,482	+5.8	24,402	23,205	850,237	-4.3	7,920	29,026	+117.3	3.4	34.1
Utah.....	23,153	+5.3	31,795	30,527	1,120,232	-12.1	8,642	66,871	+67.0	6.0	28.3
Wyo.....	7,321	+4.8	10,714	10,171	305,572	-10.3	3,393	2,052	+199.6	.7	33.4
Region XII:											
Ariz.....	17,440	+5.5	23,703	22,701	840,515	-7.5	6,262	19,851	+16.8	2.4	27.6
Calif.....	655,713	+5.1	894,181	853,731	33,439,153	-21.5	238,467	4,907,876	+106.6	14.7	27.9
Nev.....	9,298	+5.5	12,412	11,928	450,192	-7.2	3,114	11,053	+71.0	2.5	26.1
Oreg.....	65,146	+5.8	83,998	80,561	3,347,625	-21.0	18,852	75,654	+185.5	2.3	23.4
Wash.....	133,065	+6.1	157,451	150,417	7,280,349	-22.8	24,386	218,440	+418.3	3.0	16.2
Territories:											
Alaska.....	7,297	+5.0	8,687	8,334	332,079	-40.8	1,390	19,853	+551.3	6.0	16.7
Hawaii.....	16,638	+2.9	17,555	16,215	394,441	-15.8	917	2,007	+569.0	.5	8.7

¹ Except interest, which is credited and reported by Treasury.² Represents sum of balances at end of month in State clearing account and benefit-payment account, and in State unemployment trust fund account in Treasury.³ Represents contributions, penalties, and interest collected from employers, and contributions from employees. Adjusted for refunds and for dishonored contribution checks. Current contribution rates (percent of taxable wages) are: for employers, 2.7 percent except in Michigan, where rate is 3.0 percent; for employees, 1.0 percent in Alabama, California, and New Jersey, and 0.5 percent in Rhode Island. Experience rating, operative in 42 States, modifies above rates. All States collect contributions either wholly or in part on quarterly basis.⁴ Includes \$40,561,886 refunded in 1938 by Federal Government to 15 States, collected on pay rolls for 1936 under title IX of Social Security Act. Excludes contributions through June 30, 1939, on wages earned by workers now subject to Railroad Unemployment Insurance Act.⁵ Interest represents earnings of funds in State accounts in Federal unemployment trust fund and is credited at end of each quarter.⁶ Adjusted for voided benefit checks. Excludes benefits paid under title V of the Servicemen's Readjustment Act of 1944.⁷ Includes benefits paid through June 30, 1939, to workers now subject to Railroad Unemployment Insurance Act.⁸ Increase of more than 1,000 percent.

Fund Protection Provisions in State Unemployment Compensation Laws

Although reserves in State unemployment compensation funds appear sufficient to meet any probable drain in the immediate postwar period, solvency and the effect of experience rating on the State funds may later become significant in unemployment compensation financing. Of the 44 States in which experience rating was in operation¹ on March 1, 1945, all but 4 have made some special provision for the protection of the fund. That is, the laws of 40 States relate contribution rates, directly or indirectly, to the condition of the fund as well as to the individual employer's experience with a factor related to unemployment risk. Ten of these States also permit or direct a reduction of benefits to protect the solvency of the fund. Rhode Island is the only State without experience rating which permits reduction of benefits to protect the fund. Four States with experience rating—Michigan, Nevada, Oklahoma, and Texas—have no special provisions for the protection of the fund. As of March 1, 1945, 7 States—Alaska, Mississippi, Montana, New York, Rhode Island, Utah, and Washington—had no experience-rating provisions in their laws. Since that date, New York has adopted an experience-rating law² and Rhode Island is considering one.

The provisions to protect the fund fall into four general categories: (1) prohibiting rate reduction when the fund falls below a certain point (23 States); (2) varying schedules of rates in accordance with the amount in the fund (11 States); (3) transferring sums from the employers' reserve accounts to the pooled account when it falls below a certain point (4 States); and (4) giving the State unemployment compensation agency discretion in fixing rates in order to protect the fund (2 States). Within each of these general categories, there are differences in such elements as the factor used in determining whether the fund needs protection or

the desirable relationship between that factor and the fund.

Suspension of Experience Rating to Protect Fund

Twenty-two State laws permit no rate below 2.7 percent, and one specifies no rate below 1 percent, when the fund falls below a "danger point." The danger point may be established in terms of benefits, pay rolls, or dollar amounts (table 5).

In 8 States, rates can be reduced only if the fund exceeds the preceding calendar year's benefits, and in

another State, one and one-half times those benefits. Benefits paid in a year, however, have no direct relationship to those which may be paid in the next year. This fact may become particularly evident in the first postwar year. Differences in benefit expenditure between one year and another may be illustrated by comparing benefits paid in 1944 with those in 1940, the last full prewar year and the year of highest total payments to date. For the country as a whole, 1944 benefits were only 12 percent of the amount paid in bene-

Table 5.—States which suspend experience rating to protect the fund¹
[As of Mar. 1, 1945]

State	Basic amount in fund	Danger point in fund balance ²	Index of "experience with unemployment risk"
Basic amount in terms of benefits			
Arizona.....	Benefits paid in preceding calendar year.	Equal to basic amount.....	Reserve ratio.
Arkansas.....	do.....	do.....	Do.
California.....	do.....	Less than 1½ times basic amount.....	Do.
Colorado.....	do.....	Equal to basic amount.....	Do.
Delaware.....	Highest annual benefits in any past year.	Less than basic amount.....	Ratio of benefit wages to pay roll.
Iowa.....	Benefits paid in preceding calendar year.	Equal to basic amount.....	Reserve ratio.
Kansas.....	do.....	do.....	Do.
Kentucky ³	Highest annual benefits in last 3 years.	Less than 3 times basic amount.....	Do.
New Jersey.....	Benefits paid in preceding calendar year.	Equal to basic amount.....	Do.
New Mexico.....	do.....	do.....	Do.
North Dakota.....	do.....	do.....	Do.
Basic amount in terms of dollar amounts			
Idaho.....	\$7.5 million.....	Less than basic amount ⁴	Reserve ratio.
New Hampshire.....	\$5 million.....	do.....	Do.
South Carolina.....	\$5 million.....	Equal to basic amount.....	Do.
West Virginia.....	\$25 million.....	Less than basic amount ⁴	Do.
Basic amount in terms of pay rolls			
District of Columbia.....	Pay roll for 12 months ended preceding June 30.	Less than 2.4 percent of basic amount. ⁵	Reserve ratio.
Hawaii.....	Average annual pay roll for last 10 years.	Less than 5 percent of basic amount.	Do.
Oregon.....	Average annual pay roll for last 5 years.	Less than 3 percent of basic amount. ⁵	Do.
More than 1 factor used			
Florida.....	\$22 million and \$65 per covered worker.	Equal to lesser of dollar amount and per capita amount. ⁶	Ratio of benefits to pay roll.
Georgia.....	\$12.5 million and highest annual benefits in last 5 years.	Equal to greater of dollar amount and 2½ times benefits.	Reserve ratio.
Louisiana.....	\$35 million and total pay roll for first 60 of last 63 months.	Less than the greater of dollar amount and 1.5 percent of pay rolls. ⁷	Do.
Maine.....	\$12 million and highest annual benefits in last 5 years. ⁸	Less than the greater of dollar amount and twice benefits.	Do.
Maryland.....	\$50 million, preceding year's pay roll, and total pay roll for last 5 years.	Equal to greatest of dollar amount, 6 percent of preceding year's pay roll, and 1.5 percent of total pay roll for last 5 years.	Ratio of benefits to pay roll.

¹ Kentucky suspends only the rates below 1 percent.

² Determination as to whether fund's balance is below danger point is made for a year, at time rates are determined, except in States footnoted 2, 3, or 4. In Oregon, Idaho, and Louisiana, determination made at the end of each quarter; in Kentucky, on January 1 and July 1; and in West Virginia, at any time.

³ Commission may set rate of 2.7 percent if fund's solvency endangered; also rates may be redetermined in middle of year if rates set will not maintain the established reserve.

⁴ Also if in middle of year balance is less than 5 percent of pay rolls for 12 months, all rates increased by percentage differential between 5 percent and fund's balance.

⁵ If the fund's balance is greater than \$22 million, but less than \$65 per covered worker, reduced rates will be allowed only on portion of pay roll not in excess of 200 percent of pay roll for 1939, or for the first subject year thereafter.

⁶ Also if benefits for first 6 months of year equal or exceed 4.5 percent of pay rolls for same period.

¹ See pp. 12-20 for a discussion of experience-rating operations in 1944.

² The New York act was not received in time to be included in this analysis.

fits in 1940. In the 9 States which use the preceding year's benefits as a yardstick to measure the amount needed in the fund, the ratio between benefit expenditure in 1944 and that in the highest year on record (which was not 1940 in all States) ranged from 0.9 percent in New Mexico to 22.2 percent in New Jersey. Although theoretically this provision does not give much protection, it will have some value in the postwar period because of the circumstances in which it will operate. Present reserves are so high that the funds will not be in danger of exhaustion until after several years of high benefit payments. Therefore, if this provision is called into operation to suspend reduced rates in the postwar readjustment period, it will probably be at a time when the preceding year's benefits are high enough for this measure of the amount needed in the fund to have some significance as a safeguard to the solvency of the fund.

Kentucky permits no rate below 1 percent unless the fund equals three times the highest annual benefits in the past 3 years, which gives more protection than using the 1 preceding year. The Delaware provision relates the fund to the highest annual benefits ever paid. Even with that provision, a substantial change in the benefit formula or in wage levels which raises average benefit payments, or a substantial increase in number of workers covered, may render past expenditure meaningless as an estimate of future liability.

Four States require that the fund must be kept at not less than a specified dollar amount. No matter how carefully and scientifically this amount is determined in the first place, increases in wage levels or in the number of covered workers would affect the amount of reserve needed even if the benefit formula or the coverage provisions remained unchanged. One of these States, New Hampshire, has an additional safety factor, in that the agency is authorized to suspend rate reduction when it believes the fund's solvency is endangered.

Five other States also minimize the dangers of any one measure of the adequacy of the reserve by requiring that the fund equal the greater of two factors—a specified amount and a ratio to past pay rolls or benefits, or, in Florida, a per capita amount

for each covered worker. Maryland specifies three requirements—a dollar amount, 1.5 percent of 5 years' pay rolls, and 6 percent of the preceding year's pay rolls.

The measure used by the District of Columbia, Hawaii, and Oregon—the total taxable pay roll for the State

for a preceding year—assures that the fund will be related to potential liability. Whether the pay roll used is the actual one for the past 12 months, as in the District of Columbia, or the average annual figure for the past several years, as in Hawaii and Oregon, the measure automati-

Table 6.—States which vary experience-rating schedules with condition of fund

[As of Mar. 1, 1945]

State	Basic amount in fund	Danger point in fund balance	Rate changes made at danger point	Index of "experience with unemployment risk"
Alabama.....	Highest annual total pay roll of last 3 years times the highest ratio of annual benefits to annual pay roll in last 10 years.	Less than $\frac{1}{4}$ times basic amount.	State experience factor ¹ doubled to apply to following April 1–March 31 period.	Ratio of benefit wages to pay roll.
Connecticut....	Pay roll of last 3 years.	Variable rate schedule: ² Less than 1.25 percent of basic amount. 1.25 percent but less than 2 percent of basic amount. 2.0 percent of basic amount or more.	No reduced rates. Rates 2.1 percent to 2.7 percent at 0.05 percent intervals, average rate 2.4 percent. Rates 1.5 percent to 2.7 percent at 0.1 percent intervals, average rate 2.1 percent.	Ratio of pay roll to weekly benefit amounts.
Illinois.....	Balance in fund Dec. 31, 1942.	Less than 60 percent of basic amount.	State experience factor ¹ for calendar year increased 1 percent for every 4 percent below 60 percent of basic amount.	Ratio of benefit wages to pay roll.
Massachusetts..	Highest annual benefits in last 10 years.	Less than basic amount.	Lowest 4 rates increased 0.5 percent, and 2.5 percent rate increased to 2.7 percent. If fund remains low for 2 quarters of increased rates, all rates 2.7 percent.	Do.
Minnesota.....	Average annual benefits in last 3 years.	Variable rate schedule: Less than 3 times basic amount. 3 times basic amount but less than $3\frac{3}{4}$ times basic amount or more. Less than twice basic amount.	Highest scheduled rate 3.25 percent. Highest scheduled rate 3 percent. Highest scheduled rate 2.75 percent. All rates increased 0.5 percent.	Ratio of benefits to pay roll.
Missouri.....	Greater of contributions and benefits in last year.	Less than basic amount.	All rates increased 0.5 percent.	Reserve ratio.
Ohio.....	Benefits in last 2 years.	Less than basic amount.	Rates increased by quotient of difference between balance and 4.5 percent divided by pay roll of last year.	Do.
Virginia.....	Highest annual pay roll in last 9 years.	Less than 4.5 percent of basic amount.	Rates increased by quotient of difference between balance and 4.5 percent divided by pay roll of last year.	Ratio of benefit wages to pay roll.
Pennsylvania..	Pay roll of last calendar year.	Less than 8.1 percent of basic amount.	Rates increased 0.1 percent for each 0.1 percent fund below 8.1 percent.	Do.
Tennessee.....	\$20 million.....	Less than basic amount.	All rates increased 0.6 percent up to maximum rate 3.3 percent. If benefits exceed contributions at increased rates, additional 0.3 percent increase up to 3.3 percent.	Reserve ratio.
Wyoming.....	Pay rolls for 60 months ending June 30 of last year.	Variable rate schedule: Less than 1.5 percent of basic amount. 1.5 percent but less than 2.5 percent of basic amount. 2.5 percent of basic amount or more.	Rates 1 percent to 3.5 percent at irregular intervals. Rates 1 percent to 3.3 percent at 0.5 percent intervals. Rates 0.5 percent to 3 percent at 0.5 percent intervals.	Ratio of benefits to pay roll.

¹ Rates are determined from table in the law, varying both with individual employer's benefit wage ratio and with State experience factor. State experience factor is a percentage determined by dividing total benefits in last 3 years by total base-

period wages of workers who drew those benefits adjusted to next higher multiple of 1 percent.

² Rates also changed if fund goes down after any of first 3 quarters of year.

Table 7.—States which transfer sums from employer-reserve accounts when pooled portion of fund is low
[As of Mar. 1, 1945]

State	Minimum balance in pooled account	Amount transferred from individual reserves	Index of "experience with unemployment risk"
Indiana.....	\$3 million on July 1 or January 1.	1 percent of wages during 6 months after date on which balance falls below minimum.	Reserve ratio.
Nebraska.....	\$100,000 on first day of quarter.	0.25 percent of pay roll during 6 months after date balance falls below minimum.	Do.
South Dakota..	\$50,000 at end of any month.	0.5 percent of pay roll of preceding year.	Ratio of benefits to pay roll.
Wisconsin.....	\$2 million at end of any month.	Lowest multiple of 1 percent which applied to balance would produce \$1 million.	Reserve ratio.

cally adjusts to increases in wage levels and to increased coverage, whether by extension to excluded groups or by expansion in already covered industries.

Rate Schedules Varied With Fund

Eleven States permit reduced rates but require higher rates from some or all employers when the fund falls below the danger point. Table 6 shows how the danger point is established and what changes are made in rates.

Of these 11 States, 5³ use the benefit-wage-ratio plan of experience rating—the "Cliffe plan." Under this plan, an employer's experience factor is computed as the ratio of the base-period wages he paid to workers who drew benefits during the past 3 years to his total pay roll in the same period. A "State experience factor" is computed as the ratio of the average benefit expenditures for the past 3 years to the average base-period wages of the workers who drew such benefits. The employer's experience factor is correlated with the State experience factor to determine his rate; the total yield in any year is designed to replenish the fund for past benefit payments.

Two of these 5 States, Alabama and Illinois, increase the State experience factor when the fund falls below the danger point. In Alabama that point is determined by applying the highest State experience factor of the past 10 years to the past 3 years' pay rolls; in Illinois the danger point is 60 percent of the amount in the fund at the end of 1942.

Pennsylvania and Virginia, Cliffe-plan States, increase rates up to the maximum 2.7-percent rate if the fund's balance is low in relation to past pay rolls. Connecticut and Wy-

oming also vary the rate schedule in accordance with the fund's ratio to past pay rolls.

Massachusetts, the fifth Cliffe-plan State, Minnesota, and Ohio use higher

rate schedules when the fund's ratio to past benefit payments is low. Missouri has an alternative requirement; if the fund is not twice the amount of benefits or contributions in the past year, whichever is greater, all rates are increased 0.5 percent up to a maximum of 4.1 percent. In Tennessee all rates are increased 0.6 percent, but not above 3.3 percent, if the fund falls below \$20 million, and another 0.3 percent, subject to the same maximum, if benefits exceed contributions at the first increased rate.

Transfers From Reserve Accounts

In 4 States—Indiana, Nebraska, South Dakota, and Wisconsin—the adjustment of rates to the condition of the fund is indirect (table 7). In

Table 8.—States which reduce benefits to protect the fund¹

[As of Mar. 1, 1945]

State	Benefits			Contributions
	Reduction optional or mandatory	Point at which reduction made	Type and amount of reduction	Point at which contribution rates are changed
California.....	Optional....	Whenever commission foresees within 6 months inability to pay probable liabilities in full.	May reduce or cease payments.	Fund less than 1½ times last year's benefits.
Connecticut.....	Mandatory....	When balance less than 2 percent of pay roll of last 3 years; reduced again if balance less than 1.25 percent of pay roll of last 3 years.	3 benefit schedules: Maximum weekly benefit amount, \$22, \$17, \$15; uniform duration, 18 weeks, 15 weeks, 13 weeks.	Same as benefit reduction.
Maine.....	Optional....	Benefits currently paid impair solvency of fund as determined by commission.	May reduce duration, from 16 weeks to not less than 10 weeks.	Fund falls below greater of \$12 million and highest annual benefits in last 5 years.
Massachusetts....	do.....	If in any 6-month period benefits exceed income or reserves become endangered.	May modify scale of benefits, waiting period, or eligibility.	Fund falls below highest annual benefits in last 10 years.
New Hampshire..	Mandatory....	When balance is less than \$8 million for 2 consecutive calendar months.	2 benefit schedules: Maximum weekly benefit amount, \$20 and \$15. Uniform duration, 20 weeks and 16 weeks.	Fund falls below \$5 million or solvency is endangered.
Ohio.....	Optional....	If administrator deems fund in danger of insolvency.	May adjust weekly amount or duration.	Fund less than benefits in last 2 years.
Oregon.....	do.....	Fund reduced below reserve determined by investigation and public hearing.	May modify scale of benefits, increase waiting period, or change eligibility.	Fund less than 3 percent of average annual pay roll for last 5 years.
Pennsylvania....	Mandatory....	When balance is less than 1½ times highest annual benefits.	2 benefit schedules: Maximum weekly benefit amount, \$18 and \$15. Duration 27 to 56 percent base-period wages, minimum 7 weeks, and 24 to 48 percent, minimum 6 weeks.	Fund less than 8.1 percent of pay roll of last calendar year.
Rhode Island ¹ ...	Optional....	When Board believes it necessary to protect solvency, Governor may declare emergency.	May modify scale of benefits, increase waiting period, or change eligibility.	No experience rating.
South Carolina..	do.....	Balance below \$5 million.	Reduce weekly benefit amount and maximum duration up to 25 percent until balance reaches \$6 million.	Same as benefit reduction.
West Virginia....	do.....	Balance below \$5 million.	Suspend partial benefits until fund reaches \$10 million.	Fund less than \$25 million.

¹ All States but Rhode Island have experience-rating provisions in operation.

³ Alabama, Illinois, Massachusetts, Pennsylvania, Virginia.

these States the pooled account must equal a specified amount of money. When it falls below that figure, sums are transferred to the pool from employers' individual reserve accounts. Since rates are established in terms of the ratio of the reserve balance to pay rolls, the siphoning off of part of the reserve may increase rates for some employers. The effect of the transfer on individual rates is not felt in the year the transfer is made, but in the next and subsequent years. For some employers it may be several years before the rates are changed.

Agency Discretion

Two States leave rate adjustments to the discretion of the agency. In North Carolina, the agency may require all employers to pay up to 60 percent of a 2.7 rate into the pooled fund if it considers the balance in the pooled account insufficient to pay potential benefits. Vermont does not specify a rate schedule in the law but authorizes the Commission to fix rates at a point which will produce sufficient revenue to pay benefits, taking the condition of the fund into account as one element.

Benefits Reduced To Protect the Fund

Eleven States—10 with experience rating and 1 without—authorize reduction of weekly benefit amounts and/or duration of benefits when the solvency of the fund is threatened or when the fund falls below a given dollar amount (table 8). Provisions for reducing benefits tend to reduce the protection given workers at the time when protection is most needed—when unemployment is general. Under the laws of 3 States—Connecticut, New Hampshire, and South Carolina—benefits may be reduced when employers are paying less than standard contribution rates.

The provisions for reducing benefits are optional in 8 States, mandatory in 3. In California, Maine, Massachusetts, Ohio, Oregon, and Rhode Island, if the agency believes the fund's solvency is threatened, it may reduce benefits, but it is not required to do so. The amount of the reduction is also discretionary, although Maine sets a maximum reduction of 20 percent in weekly benefit amount, with no amount less than \$5. In South Carolina and West Virginia the point at which reductions may be

made is set at \$5 million; the reduction is not mandatory. The other 3 States, Connecticut, New Hampshire, and Pennsylvania, have more than one schedule of benefit payments in the law; the balance in the fund determines the schedule to be used. The agency has no power to decide what changes to make in benefits, or when to make them.

Employment Service*

Labor-Market Developments

March employment was estimated at 50.8 million, 340,000 more than the number a year earlier and 280,000 more than in February. The number of agricultural workers increased by half a million—the largest February-March rise in the 5-year series of estimates made by the Bureau of the Census—as the unseasonably warm March weather made it possible to start spring plowing and planting in many sections of the country much earlier than usual.

Nonagricultural employment of 43.5 million represented a decline of 220,000 workers—mostly men—from the number in February; women were only 10,000 fewer. The number of unemployed persons (830,000) was 50,000 less than in February; all this decline was among women workers, since the number of men has remained the same for 3 months. As a result of these various changes, the civilian labor force increased 230,000 from the February total and numbered 51.7 million in March. This figure was 300,000 more than in March 1944.

About 500,000 part-time and full-time workers will be needed to process the 1945 crop of fruits and vegetables, the War Manpower Commission estimates. The range in the number needed in different States varies from 5,000 in Georgia to 125,000 in California. These workers will be recruited mostly from local labor, but some migratory workers will be necessary and some may be recruited from Mexico and the West Indies. As in past years, volunteer services of housewives and retired persons will be needed to help in canning and packing centers.

*Data from Reports and Analysis Service, War Manpower Commission, and from published releases of other Government agencies.

Table 9.—Nonagricultural placements, by State, March 1945

War Manpower Commission region and State	Total	Women	Non-white
Total.....	972,558	311,815	188,337
Region I:			
Connecticut.....	12,974	3,981	795
Maine.....	4,797	1,381	43
Massachusetts.....	26,509	11,378	802
New Hampshire.....	2,169	1,012	4
Rhode Island.....	6,894	3,793	128
Vermont.....	1,275	434	1
Region II:			
New York.....	101,365	36,271	29,749
Region III:			
Delaware.....	1,684	580	461
New Jersey.....	33,183	12,537	5,822
Pennsylvania.....	64,311	18,966	10,014
Region IV:			
District of Columbia.....	5,467	2,849	2,455
Maryland.....	11,623	4,505	3,616
North Carolina.....	19,374	7,039	6,279
Virginia.....	23,175	9,109	6,824
West Virginia.....	11,680	2,987	640
Region V:			
Kentucky.....	17,821	4,044	2,525
Michigan.....	35,093	6,802	6,303
Ohio.....	60,285	17,767	12,903
Region VI:			
Illinois.....	45,920	19,114	10,428
Indiana.....	30,649	12,308	4,049
Wisconsin.....	19,804	8,494	831
Region VII:			
Alabama.....	20,522	6,784	6,403
Florida.....	16,129	6,713	4,621
Georgia.....	22,825	9,700	5,779
Mississippi.....	9,807	4,078	3,549
South Carolina.....	13,873	6,054	3,259
Tennessee.....	23,063	7,538	5,236
Region VIII:			
Iowa.....	10,593	4,102	387
Minnesota.....	16,371	4,372	329
Nebraska.....	5,331	1,558	437
North Dakota.....	1,145	310	62
South Dakota.....	1,261	503	102
Region IX:			
Arkansas.....	15,697	2,848	4,095
Kansas.....	11,789	3,254	1,704
Missouri.....	24,759	5,715	4,527
Oklahoma.....	14,012	3,264	1,490
Region X:			
Louisiana.....	11,189	2,097	4,540
New Mexico.....	3,894	766	221
Texas.....	55,389	12,513	15,769
Region XI:			
Colorado.....	9,713	2,477	409
Idaho.....	2,663	589	44
Montana.....	2,399	364	38
Utah.....	6,235	2,051	240
Wyoming.....	1,436	204	28
Region XII:			
Arizona.....	6,019	1,841	602
California.....	92,722	26,445	15,970
Nevada.....	2,366	781	306
Oregon.....	11,689	2,915	337
Washington.....	23,615	6,631	3,281

Placement Activities

More than 970,000 nonfarm placements were made by the WMC in March, 7 percent more than in February, and 25 percent more than in March 1944. In the 39 States in which March placements exceeded those in February, the increases ranged from 0.5 percent in Minnesota to 25 percent in South Dakota. The 10 States in which placements decreased were scattered geographically in 8 of the 12 WMC regions; the decreases were generally small, and only Delaware reported a decline of more than 10 percent. In the 40 States with more placements than a year earlier, the increases ranged from less than 0.05 percent in Louisi-

ana to 204 percent in South Carolina.

Thirty-two percent of all nonfarm placements were filled by women, a larger proportion than in February and the largest proportion since July 1944, although the number was less than in November 1944. In Rhode Island and the District of Columbia, more than half the March nonfarm placements were of women, and in all

but 11 States placements of women made up more than a fourth of all placements.

Nonwhite placements were 19.4 percent of all nonfarm placements—the largest proportion for any month since May 1942 and 11.8 percent more than in February.

More placements of World War II veterans were made than in Febru-

ary, but they formed about the same percentage of all nonfarm placements. California, Ohio, New York, and Texas together accounted for a fourth of all World War II veteran placements. One-sixth of the placements were of handicapped men; in numbers, such placements ranged from 3 in Nevada to 1,586 in New York.

Old-Age and Survivors Insurance

Cash Surrender Value of Life Insurance of Primary Beneficiary Groups

One-fourth of the primary beneficiary groups¹ visited in the survey of beneficiaries in Philadelphia and Baltimore in May-July 1941 carried no life insurance at the time they were interviewed (table 1). Some 340 of the 498 male and 86 of the 94 female beneficiary groups either had no insurance in force or had policies with face values of less than \$1,000. Only 28 of the male and 2 of the female beneficiaries had policies totaling \$3,000 or more.

In addition to the face value of the policies, information was obtained on the number of policies held, class of insurance (whether industrial, ordinary, group, or fraternal), premium, and date of issue. From these facts, estimates of cash surrender values have been made in order to get some indication of the extent to which these policies were an asset which, through surrender, could be used to supplement income.

Beneficiaries frequently reported

¹ For discussion of the methods of selecting the sample see the *Bulletin*, July 1943, pp. 3-6. In the four surveys of old-age and survivors insurance beneficiaries in 1941-42, detailed facts on life insurance were secured in only the Philadelphia and Baltimore survey. Information on life insurance was furnished by 498 male and 94 female primary beneficiary groups in these two cities. The beneficiary group is comprised of the primary beneficiary, spouse, and unmarried children under age 18. The 498 male primary beneficiary groups include 150 nonmarried men, 335 couples, and 13 couples with children under age 18. Eight of the 94 female primary beneficiaries were married; all of the 8 husbands carried insurance.

more than one insurance policy. Typically, one or two policies were carried on the life of the husband and one policy on the life of the wife. Altogether, the 370 male primary beneficiary groups reporting insurance held 858 policies. Sixty-two percent of the policies were industrial insurance in amounts of less than \$500, 15 percent were intermediate policies ranging from \$500 to \$999, and 14 percent were ordinary policies of \$1,000 or more (table 2). The rest were group or fraternal insurance.

Industrial insurance was even more predominant among the 69 female primary beneficiary groups reporting insurance. Of their 135 policies, 109 were industrial, 10 intermediate, and 9 ordinary.

Half of all the policies held by the male primary beneficiaries and their wives had been in force 21 years or more, and half of those carried by the female primary beneficiaries and their husbands had run at least 23 years (table 3). Seven percent of the policies held by the male and 16 percent of those held by the female primary beneficiary groups had been in force 50 years or more. On the other hand, one-fifth of the policies held by both the male and female beneficiaries had been in force less than 10 years, and about one-tenth less than 5 years.

The policy plan, that is, whole life, endowment, limited payment, term, and so forth, was not consistently recorded. For industrial insurance policies, therefore, the cash surrender values have been estimated on the assumption that the plan of insurance in all cases was life paid-up at age 75; this assumption produced results slightly too low in cases in which the plan of insurance was 20-year endowment. For ordinary insurance, other than term, it was assumed that the plan of insurance was endowment

at age 85; the resulting values were slightly too high for whole life policies and too low for endowment policies maturing before age 85. Borrowings against the policies have been taken into consideration in estimating the cash surrender values. Although accurate values for individual policies are not assured, it is believed that in the aggregate reasonably reliable results have been obtained.

The cash surrender values of the policies ranged from zero for term policies, group insurance, and policies purchased within a year or two of the date of the study to 100 percent of the face value for those that had matured. The estimated average was 46 percent of the face value for policies carried by male primary beneficiary groups and 38 percent for policies held by female primary beneficiary groups.

Almost one-third of the beneficiaries either were without life insurance or owned policies which would have afforded no cash value had they been surrendered at the end of the

Table 1.—Distribution of primary beneficiary groups by face value of life insurance policies held, Philadelphia and Baltimore combined, May-July 1941

Total face value of beneficiary group policies	Beneficiary group			
	Male primary		Female primary	
	Num-ber	Per-cent	Num-ber	Per-cent
Total.....	498	100.0	94	100.0
No policy.....	128	25.7	25	26.6
Policies:				
Less than \$250.....	40	8.0	22	23.4
250-499.....	62	12.5	23	24.4
500-999.....	110	22.1	16	17.0
1,000-1,499.....	88	17.7	4	4.3
1,500-1,999.....	18	3.6	2	2.1
2,000-2,999.....	24	4.8		
3,000-4,999.....	10	2.0	1	1.1
5,000-9,999.....	12	2.4		
10,000-19,999.....	6	1.2	1	1.1
Median amount.....	\$500		\$338	
Mean amount per beneficiary group.....	950		518	
Mean amount per beneficiary group having policies.....	1,279		703	

Table 2.—Distribution of the number of policies held by primary beneficiary groups by class of insurance and average amount of insurance per class, Philadelphia and Baltimore combined, May-July 1941

Class of insurance	Beneficiary group					
	Male primary			Female primary		
	Policies in force		Average face value per policy	Policies in force		Average face value per policy
	Number	Percent		Number	Percent	
Total.....	858	100.0	\$551	135	100.0	\$359
Industrial (less than \$500).....	535	62.4	203	109	80.7	157
Intermediate (\$500-999).....	125	14.6	542	10	7.4	500
Ordinary (\$1,000 or more).....	123	14.3	1,905	9	6.7	2,611
Group certificates.....	22	2.6	1,886	3	2.2	667
Fraternal.....	53	6.1	394	4	3.0	213

survey year (table 4). Only 25 percent of all the male and 6 percent of the female primary beneficiary groups held policies whose total estimated cash surrender values were \$500 or more. These policies were generally held by beneficiaries who had other assets amounting to \$1,000 or more. The majority of beneficiaries who had no net assets,² or who had net assets of less than \$1,000, either had no life insurance or held policies which, it is estimated, would have yielded less than \$250 had they been surrendered.

This study of the value of life insurance carried by primary beneficiaries and their spouses indicates that, for most aged beneficiaries in Philadelphia and Baltimore, investment in life insurance provided little in the way of protection against emergencies during the lifetime of the insured. Probably for most beneficiaries the insurance carried would

² Assets, other than life insurance, in excess of liabilities.

Table 3.—Distribution of policies held by primary beneficiary groups by number of years in force, Philadelphia and Baltimore combined, May-July 1941

Number of years in force	Beneficiary group			
	Male primary		Female primary	
	Number	Percent	Number	Percent
Total ¹	728	100.0	106	100.0
Under 10.....	155	21.3	21	19.8
10-24.....	295	40.5	38	35.9
25-40.....	224	30.8	30	28.3
50 and over.....	54	7.4	17	16.0
Median number of years.....	20.6		23.3	

¹ Number of years in force was not reported for 130 policies by the male primary beneficiary groups and for 29 policies by the female primary beneficiary groups. These were generally paid-up or group policies.

have covered only the funeral costs and perhaps the costs of the last illness.

Table 4.—Distribution of male and female primary beneficiary groups by specified net worth and estimated cash surrender value of life insurance, Philadelphia and Baltimore combined, May-July 1941

Type of beneficiary group and cash surrender values	Assets exceed liabilities by—				
	Total	Zero or minus net worth ¹	Less than \$1,000	\$1,000-4,999	\$5,000 or more
	Number of beneficiary groups				
Male primary, total.....	² 485	162	69	194	60
No value ²	154	69	22	44	19
\$1-249.....	116	55	19	37	5
250-499.....	92	25	12	45	10
500-999.....	82	7	14	48	13
1,000 or more.....	41	6	2	20	13
Female primary, total.....	² 90	35	26	29	.....
No value ²	30	10	7	13	.....
\$1-249.....	46	19	14	13	.....
250 or more.....	14	6	5	3	.....
Percentage distribution by cash surrender value					
Male primary, total.....	100.0	100.0	100.0	100.0	100.0
No value ²	31.7	42.6	31.9	22.7	31.6
\$1-249.....	23.9	34.0	27.5	19.1	8.3
250-499.....	19.0	15.4	17.4	23.2	16.7
500-999.....	16.9	4.3	20.3	24.7	21.7
1,000 or more.....	8.5	3.7	2.9	10.3	21.7
Female primary, total.....	100.0	100.0	100.0	100.0	.....
No value ²	33.3	28.6	26.9	44.8	.....
\$1-249.....	51.1	54.3	53.9	44.3	.....
250 or more.....	15.6	17.1	19.2	10.4	.....
Percentage distribution by net worth					
Male primary, total.....	100.0	33.4	14.2	40.0	12.4
No value ²	100.0	44.8	14.3	28.6	12.3
\$1-249.....	100.0	47.4	16.4	31.9	4.3
250-499.....	100.0	27.2	13.0	48.9	10.9
500-999.....	100.0	8.5	17.1	58.5	15.9
1,000 or more.....	100.0	14.6	4.9	48.5	31.7
Female primary, total.....	100.0	38.9	28.9	32.2	.....
No value ²	100.0	33.3	23.3	43.4	.....
\$1-249.....	100.0	41.3	30.4	28.3	.....
250 or more.....	100.0	42.9	35.7	21.4	.....

¹ Includes beneficiary groups who had no assets or liabilities and those whose liabilities exceed their assets.

² Number of beneficiary groups who reported on

Under the Social Security Act

Monthly Benefits in Force and Payments Certified, March 1945

At the end of March, monthly benefits were in force for nearly 1.2 million beneficiaries with a monthly benefit rate totaling \$21.9 million (table 5). Both the number and the amount of benefits in force increased 2.6 percent during the month, the greatest percentage increase in any month since March 1943.

One-fifth more awards than in February were processed during the month. For each type of benefit ex-

both life insurance and net worth.

² Includes beneficiary groups who had no life insurance and those whose policies had no cash surrender value.

cept primary, and for the aggregate total of all monthly benefits, the number processed during March was greater than for any previous month. The number of primary benefit awards was exceeded only in a few months of 1940.

The proportion of benefits in conditional-payment status continued to decrease slowly for all types of benefits except wife's, widow's, and parent's, which remained at the same level. Thirteen percent of the total benefits in force were in conditional-payment status. For widow's current and primary benefits the proportions were 26 and 16 percent, respectively.

More than \$20.0 million was certified for monthly benefit payments and \$2.6 million for lump-sum death payments, 4 percent and 21 percent, respectively, more than in February.

Monthly Benefits and Lump-Sum Payments Awarded, January-March 1945

More than 104,000 monthly benefits were awarded during the first quarter of 1945 (table 6), an increase of 22 percent over the high reached in the preceding quarter and of 37 percent over the first quarter of 1944.

More primary benefits were awarded

Table 6.—Number of monthly benefits and lump-sum death payments awarded, by type of benefit and by quarter, 1940-45

Year and quarter	Monthly benefits							Lump-sum death payments ¹
	Total	Primary	Wife's	Child's	Widow's	Widow's current	Parent's	
1940								
Jan.-Mar.-----	40,780	28,211	4,366	5,978	168	2,057	0	7,046
Apr.-June-----	67,824	33,955	8,468	17,406	885	6,885	223	19,074
July-Sept.-----	76,113	38,245	11,981	17,220	1,560	6,782	325	23,793
Oct.-Dec.-----	70,267	31,924	9,740	18,776	1,987	7,536	304	25,182
1941								
Jan.-Mar.-----	74,567	32,802	9,901	20,597	2,703	8,227	337	30,633
Apr.-June-----	66,074	28,879	8,962	18,021	2,617	7,278	317	28,210
July-Sept.-----	65,593	27,238	8,898	18,745	2,786	7,632	294	29,610
Oct.-Dec.-----	63,052	25,741	8,452	18,256	2,914	7,365	324	28,890
1942								
Jan.-Mar.-----	68,181	27,609	9,161	19,596	3,505	8,027	283	33,410
Apr.-June-----	67,679	26,878	8,649	19,991	3,690	8,134	337	35,428
July-Sept.-----	62,161	23,826	8,013	18,894	3,475	7,624	329	32,932
Oct.-Dec.-----	60,095	21,310	7,426	18,902	4,103	8,037	317	33,221
1943								
Jan.-Mar.-----	67,750	23,754	8,112	21,503	4,975	9,078	328	40,525
Apr.-June-----	69,757	23,803	8,372	22,811	5,051	9,387	333	43,108
July-Sept.-----	63,501	21,378	7,896	20,764	4,695	8,476	292	39,485
Oct.-Dec.-----	61,863	20,139	7,537	20,541	4,856	8,478	312	39,893
1944								
Jan.-Mar.-----	75,807	25,474	9,401	23,978	6,416	10,225	313	47,342
Apr.-June-----	79,003	27,907	10,150	24,442	6,086	10,067	351	48,976
July-Sept.-----	78,976	27,607	10,066	24,589	5,804	10,559	351	52,444
Oct.-Dec.-----	85,174	29,109	10,730	26,675	6,451	11,804	405	56,415
1945								
Jan.-Mar.-----	104,064	35,613	12,587	33,025	7,730	14,689	420	65,709

¹ Under 1939 amendments.

than in any previous quarter except the third quarter of 1940. The number of primary benefit awards dropped considerably during the first 2 years

Table 5.—Monthly benefits in force¹ in each payment status,² actions effected during the month, and payments certified, by type of benefit, March 1945

[Current month's data corrected to Apr. 28, 1945]

Status of benefit and action	Total		Primary		Wife's		Child's		Widow's		Widow's current		Parent's	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
In force as of Feb. 28, 1945.	1,163,564	\$21,331,014	476,821	\$11,273,429	140,364	\$1,761,966	339,140	\$4,198,628	73,227	\$1,476,523	128,787	\$2,552,190	5,225	\$68,278
Current-payment status.	1,002,174	18,226,105	396,084	9,418,066	120,954	1,529,806	313,395	3,885,302	71,950	1,450,830	144,659	1,875,000	5,132	67,098
Deferred-payment status.	3,904	71,534	2,250	47,850	412	5,035	674	8,112	134	2,987	425	7,438	9	114
Conditional-payment status.	157,486	3,033,375	78,487	1,807,513	18,998	227,124	25,071	305,214	1,143	22,706	33,703	669,732	84	1,066
Suspended.	132,058	2,508,248	69,726	1,563,015	15,909	184,904	20,660	249,920	711	13,788	24,981	495,726	71	895
Frozen.	25,428	625,127	8,761	244,498	3,089	42,220	4,411	55,294	432	8,918	8,722	174,026	13	171
Actions during March 1945:														
Benefits awarded.	39,485	714,076	13,223	322,269	4,661	59,216	12,791	159,821	2,963	59,520	5,684	111,128	163	2,122
Entitlements terminated. ³	9,176	164,647	2,996	71,777	1,503	18,908	2,796	36,616	290	5,591	1,547	31,168	44	587
Net adjustments. ⁴	-34	8,206	-127	3,880	-44	638	79	2,015	-1	25	59	1,672	0	-24
In force as of Mar. 31, 1945.	1,193,839	21,888,649	486,921	11,527,801	143,478	1,802,912	349,214	4,323,848	75,899	1,530,477	132,983	2,633,822	5,344	69,789
Current-payment status.	1,029,585	18,721,839	404,819	9,637,149	123,758	1,566,519	323,247	4,007,495	74,534	1,502,706	144,977	1,939,366	5,250	68,604
Deferred-payment status.	4,023	73,333	2,262	47,635	388	4,664	743	9,106	159	3,651	463	8,189	8	88
Conditional-payment status.	160,231	3,093,477	79,840	1,843,017	19,332	231,729	25,224	307,247	1,206	24,120	34,543	686,267	86	1,097
Suspended.	133,973	2,549,825	70,778	1,589,618	16,160	188,269	20,745	251,287	755	14,757	25,462	504,969	73	925
Frozen.	26,258	643,652	9,062	253,399	3,172	43,460	4,479	55,960	451	9,363	9,081	181,298	13	172
Payments certified in March. ⁵		\$2,652,842		10,131,176		1,661,367		4,385,443		1,600,068		2,165,338		75,118

¹ Represents total benefits awarded after adjustment for subsequent changes in number and amount of benefits (see footnote 4) and terminations (see footnote 3), cumulative from January 1940.

² Benefit in current-payment status is subject to no deduction or only to deduction of fixed amount which is less than current month's benefit. Benefit in deferred-payment status is one withheld entirely for a known period. Benefit in conditional-payment status is one withheld entirely for an indefinite period; if previously in current or deferred-payment status, it is a suspended benefit; otherwise it is a frozen benefit.

³ Benefits are terminated when a beneficiary dies or loses entitlement to benefits for the reasons specified in 1939 amendments, sec. 202.

⁴ Adjustments result from operation of maximum and minimum provisions of 1939 amendments, sec. 203 (a) and (b), and from other administrative actions.

⁵ Distribution by type of benefit estimated; includes retroactive payments. Includes \$2,633,375 paid as lump-sum benefits under 1939 amendments (payable with respect to workers who died after December 1939, if no survivor could be entitled to monthly benefits for month in which worker died) and \$957 paid as lump-sum benefits under 1935 act (payable with respect to workers who died prior to January 1940).

Table 7.—Family benefits: Monthly benefits in force for family groups, as of December 31, 1944

[Estimated from a 20-percent sample; corrected to Apr. 12, 1945]

Family classifications of entitled beneficiaries	Number of wage records —i. e., number of families (in thousands)	Number of beneficiaries (in thousands)	Total family benefits (in thousands)	Worker's average primary benefit ¹	Average family benefit
Total.....	708.1	1,116.6	\$20,445	\$24.40	\$28.90
Retired worker families:					
Male primary only.....	253.4	253.4	6,044	23.90	23.90
Female primary only.....	61.5	61.5	1,183	19.20	19.20
Primary and wife.....	135.3	270.6	5,087	25.10	37.60
Primary and 1 child.....	6.6	13.3	234	23.50	35.20
Primary and 2 or more children.....	3.4	10.4	150	22.10	43.90
Primary, wife, and children.....	.1	.4	7	(²)	(²)
Survivor families:					
Widow (aged 65 or over) only.....	69.0	69.0	1,391	26.70	20.20
Widow and 1 child.....	66.6	133.2	2,276	27.30	34.20
Widow and 2 children.....	36.4	109.3	1,725	27.10	47.40
Widow and 3 or more children.....	19.3	80.6	996	25.30	50.40
1 child only.....	23.2	23.2	288	22.10	12.40
2 children.....	10.4	20.8	245	23.50	23.50
3 children.....	8.0	18.0	211	23.50	35.30
4 or more children.....	11.8	47.9	542	23.10	46.00
1 parent.....	4.2	4.2	56	24.50	13.20
2 parents.....	.4	.8	10	(²)	(²)

¹ For survivor benefits, represents amount on which such benefits are based.² No average shown because based on too few cases.

of the war but has been rising since the beginning of 1944. The number of primary benefits awarded also increased during the first quarter of the year because many companies retire their older employees as of January 1. The number of wife's benefits awarded showed similar trends and

reached a peak in the first quarter of 1945.

For each type of survivor benefits more awards were processed than in any previous quarter. The increased number of persons with insured status, the higher death rates during the winter months, and the larger

Table 8.—Family benefits: Percentage distribution of survivor families by amount of monthly family benefit in force, for each specified type of family, December 31, 1944

[Estimated from a 20-percent sample; corrected to Apr. 12, 1945]

Monthly family benefit in force	Widow only	Widow with entitled children			Entitled children only			
		1 child	2 children	3 or more children	1 child	2 children	3 children	4 or more children
Total, number ¹	69,000	66,600	36,400	19,800	23,200	10,400	6,000	11,800
Total, percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$10.00.....	² 8.4				31.5	8.2		
10.01-14.99.....	8.0	³ 4.4			51.0	9.2		
15.00-19.99.....	37.4	4.4	⁴ 4.9		14.4	12.3	⁵ 13.8	
20.00-24.99.....	25.9	5.4	3.2	⁶ 10.3	⁷ 3.1	27.2	5.6	⁸ 14.5
25.00-29.99.....	10.8	19.6	3.6	4.1		23.8	7.7	6.1
30.00-34.99.....	⁹ 9.5	22.5	4.0	4.8		12.0	21.0	5.4
35.00-39.99.....		17.8	12.5	4.4		4.2	19.3	5.1
40.00-44.99.....		11.5	15.9	10.6		¹⁰ 3.1	14.2	11.6
45.00-49.99.....		6.0	15.1	13.7			9.2	15.1
50.00-54.99.....		¹¹ 8.4	13.1	14.4			5.4	13.9
55.00-59.99.....			9.8	11.3			1.9	11.1
60.00-64.99.....			6.0	8.4			¹² 1.9	6.5
65.00-69.99.....			4.3	6.1				4.7
70.00-74.99.....			6.5	4.3				2.7
75.00-79.99.....			¹³ 1.1	2.6				1.4
80.00-84.99.....				3.6				1.3
85.00.....				1.4				.6
Average benefit in force.....	\$20.80	\$34.20	\$47.40	\$50.40	\$12.40	\$23.50	\$35.30	\$46.00

¹ Families of 1 or 2 parents not shown because too few cases.² Concurrent entitlement to primary benefits reduced widow's benefit below \$10 in 0.5 percent of total cases.³ Minimum of \$12.50 in 2.6 percent of total cases.⁴ Minimum of \$17.50 in 3.4 percent of total cases.⁵ Minimum of \$15.00 in 6.9 percent of total cases.⁶ Minimum of \$20.00 in 5.9 percent of total cases.⁷ Benefits ranged from \$20.00 to \$21.60 (maximum possible in 1944).⁸ Minimum of \$20.00 in 9.2 percent of total cases. Benefits ranged from \$30.00 to \$32.40 (maximum possible in 1944).⁹ Benefits ranged from \$40.00 to \$43.20 (maximum possible in 1944).¹⁰ Benefits ranged from \$50.00 to \$54.00 (maximum possible in 1944).¹¹ Benefits ranged from \$60.00 to \$64.80 (maximum possible in 1944).¹² Benefits ranged from \$75.00 to \$75.60 (maximum possible in 1944).

Table 9.—Family benefits: Percentage distribution of primary beneficiary families by amount of monthly family benefit in force, for each specified type of family, December 31, 1944

[Estimated from a 20-percent sample; corrected to Apr. 12, 1945]

Monthly family benefit in force	Primary only		Primary and wife	Primary and 1 child
	Male	Female		
Total, number ¹	253,400	61,500	135,300	6,600
Total, percent.....	100.0	100.0	100.0	100.0
\$10.00.....	8.1	15.5		
10.01-14.99.....	9.7	16.0		
15.00-19.99.....	9.8	15.9	² 11.1	³ 14.3
20.00-24.99.....	29.4	37.6	5.4	7.3
25.00-29.99.....	22.5	10.2	5.5	6.6
30.00-34.99.....	11.3	3.1	18.6	21.8
35.00-39.99.....	5.0	1.1	19.4	18.3
40.00-44.99.....	⁴ 4.2	⁴ 6	14.9	12.9
45.00-49.99.....			10.0	8.0
50.00-54.99.....			5.8	5.0
55.00-59.99.....			3.6	1.8
60.00-64.80.....			5.7	4.0
Average benefit in force.....	\$23.90	\$19.80	\$37.60	\$36.20

¹ Families with primary, wife, and child, or primary and 2 or more children not shown because too few cases.² Minimum of \$15.00 in 6.2 percent of total cases.³ Minimum of \$15.00 in 8.4 percent of total cases.⁴ Benefits ranged from \$40.00 to \$43.20 (maximum possible in 1944).

numbers of war deaths contributed to this increase. Since most monthly benefits arising from war deaths are widow's current and child's benefits, these types had the greatest percentage increase over the preceding quarter—24 percent for each type. Corresponding increases for widow's benefits and parent's benefits were 20 percent and 4 percent.

More than 65,700 lump-sum payments were awarded during the first quarter of 1945, an increase of 16 percent over those in the preceding quarter and 39 percent more than in the first quarter of 1944. War deaths have also been an important factor in claims for lump-sum payments.

Family Benefits in Force, December 31, 1944

At the end of 1944, monthly benefits were in force for members of an estimated 708,100 families (table 7), one-fourth more than at the end of 1943.¹ The average family benefit in force was \$28.90, and averages ranged by type of family group from \$12.40 for families in which only one child was entitled to \$50.40 for families in which a widow and three or more children were entitled.

Frequently the persons who have

¹ See the *Bulletin*, January 1945, pp. 33-34.

become entitled to primary benefits are those who were not regularly employed, and their primary benefits are lower than the average for all insured workers. Deceased workers on whose wage benefits were based constitute a more representative cross section of insured workers; therefore, survivors' family benefits are based on larger average primary benefits than benefits of retired worker families.

Benefits in force for retired worker families at the end of 1944, however, were based on somewhat higher average primary benefits than those a year earlier; the increase ranged from 20 cents for female primary beneficiaries to 60 cents for male primary beneficiaries with one entitled child.

In general, benefits in force for families in which only children were entitled were based on primary benefits slightly higher than a year earlier; when a widow and children were entitled, the primary benefits were slightly lower than a year earlier. War deaths are probably responsible for the decrease in the average primary benefit for the latter group since the period of noncoverage while the wage earner was in the armed forces reduced his average monthly wage.

The percentage distribution by amount of family benefits (tables 8 and 9) differs very little from that at the end of 1943.

Employers, Workers, and Taxable Wages, Fourth Quarter, 1944

In 1944, for the first time since 1938, the year-to-year upward trend in the level of covered employment was reversed. The number of workers who received taxable wages at some time during the year in employment covered by old-age and survivors insurance is estimated at 48.0 million, about 0.6 million or 1.2 percent less than in 1943 (table 10). Both total and average taxable wages, on the other hand, were larger. Total taxable wages amounted to \$65.5 billion and average taxable wages were \$1,365, increases of 4.3 and 5.5 percent, respectively, over 1943 amounts. Total taxable wages in 1944 were almost 100 percent, and average taxable wages 46 percent, above the 1940 level.

The decline in covered employment

Table 10.—Estimated number of employers and workers and estimated amount of taxable wages included under the old-age and survivors insurance program, by specified period, 1937-44

[Corrected to May 1, 1945]

Calendar year and quarter	Employers reporting taxable wages ¹ (in thousands)	Workers with taxable wages during period ² (in thousands)	Taxable wages ³	
			Total (in millions)	Average per worker
1937.....	2,421	32,904	\$29,615	\$900
1938.....	2,239	31,822	26,502	833
1939.....	2,365	33,751	29,746	881
1940.....	2,520	35,393	32,974	932
1941.....	2,705	40,976	41,703	1,019
1942.....	2,703	46,928	52,939	1,128
1943.....	2,452	48,579	62,839	1,294
1944 ⁴	2,490	48,000	65,533	1,365
1938				
January-March.....	1,880	25,332	6,580	260
April-June.....	1,933	25,423	6,578	259
July-September.....	1,960	26,252	6,547	249
October-December.....	1,975	26,759	6,797	254
1939				
January-March.....	1,967	25,856	7,281	282
April-June.....	2,034	27,245	7,445	273
July-September.....	2,065	28,022	7,445	266
October-December.....	2,103	28,851	7,574	263
1940				
January-March.....	2,089	27,314	8,060	295
April-June.....	2,130	28,345	8,094	286
July-September.....	2,219	29,542	8,222	278
October-December.....	2,226	30,280	8,598	284
1941				
January-March.....	2,247	30,389	9,501	313
April-June.....	2,317	32,634	10,285	315
July-September.....	2,382	34,522	10,824	314
October-December.....	2,317	34,051	11,153	328
1942				
January-March.....	2,251	33,967	12,112	357
April-June.....	2,233	35,735	13,163	368
July-September.....	2,174	37,197	13,786	371
October-December.....	2,096	37,083	13,578	374
1943				
January-March.....	2,028	36,951	15,608	422
April-June.....	2,070	37,927	16,444	439
July-September.....	2,066	38,181	15,924	417
October-December.....	2,076	36,503	14,663	402
1944				
January-March.....	2,081	36,402	17,649	485
April-June.....	2,062	37,548	17,610	469
July-September.....	2,065	37,743	16,494	437
October-December.....	2,078	35,500	13,780	358

¹ Number corresponds to number of employer returns. A return may relate to more than 1 establishment if employer operates several separate establishments but reports for concern as a whole.

² Excludes estimated duplication arising from recording of wages of some workers under more than 1 account. Quarterly estimates exclude workers whose earnings in covered employment were not reported in the quarter because of the \$3,000 limitation on taxable wages.

reflects general labor-market conditions. Total employment was at a somewhat lower level in 1944 than in 1943, and labor turn-over in manufacturing industries, as measured by the Bureau of Labor Statistics, also declined. Although taxable earnings reached a peak, the relative increases in the annual total and the annual average were the smallest on record. These changes are closely related to changes in the average number of hours worked per week as shown by BLS data for manufacturing industries. They also reflect the movement of average hourly earnings, which in manufacturing industries showed a smaller annual increase from 1943 to

³ Includes nontaxable wages erroneously reported and wages not counted in determining insurance benefits. All wages over \$3,000 a year paid to a worker by a single employer are not taxable. Beginning with 1940 all wages in excess of \$3,000 a year received by any 1 worker are excluded in benefit computations.

⁴ Preliminary; figures for other years also subject to revision but to a relatively small extent as compared with those for 1944.

1944 than for any year since 1940.

Reversing the trend shown for all previous periods, the number of workers who received taxable wages in the fourth quarter of 1943 and in each quarter of 1944 was smaller than in the corresponding quarter of the preceding year. In 1944, as in the 3 preceding years, the number of workers for whom taxable wages were reported was smaller in the fourth than in the third quarter, but the relative decrease was much greater than in previous years.

In both average and total taxable wages, also, the decline from the third to the fourth quarter was larger than in 1943. Moreover, the fourth quar-

ter of 1944 was the first quarter on record in which total and average taxable wages were lower than in the corresponding quarter of the preceding year.

The fourth-quarter employment and wage data reflect the operation of the \$3,000 limitation on taxable wages; many workers receive \$3,000 before the end of the third quarter, and their employers are not required to report them or their wages in the

fourth quarter. The effect of this limitation was greater in 1944 than in any previous year.

Estimates of the total number of employers reporting taxable wages during each year are shown for the first time. The 2,499,000 employers reporting taxable wages at some time in 1944 represented a 2-percent increase over the number in 1943, reversing the downward trend of the 2 preceding years. From 1938 through

1941 the number of reporting employers increased steadily; then it decreased slightly in 1942 and considerably in 1943, as withdrawals from business followed wartime shortages of labor and materials. A resumption of the upward trend in 1944 is shown by the increase in the estimated number of employers reporting taxable wages in the first, second, and fourth quarters as compared with the corresponding quarters of 1943.

Social and Economic Data

Social Security and Other Income Payments

March income payments to individuals of \$13.7 billion were 5.6 percent above the amount in March 1944 but slightly below that in the preceding month. Social insurance and related payments of \$192 million—2.7 percent above the February level—reflected a seasonal increase in unemployment compensation payments and a significant increase in payments to veterans.

Public aid—\$80 million—remained the same as for February. A slight rise in Government allowances to dependents of members of the armed forces brought the expenditure to \$244 million.

Compensation of employees declined slightly from the February amount in spite of a slight increase in employment. Workers in civilian employment numbered 50.8 million this March, according to the Bureau of the Census, as compared with 50.6 million in February. The increase was concentrated in agricultural employment in which the gain of half a million agricultural workers exceeded the usual seasonal rise. Total non-agricultural employment, on the other hand, dropped by about 220,000 from that in February. One factor in this decline is the shift back to agriculture of men who had taken jobs in non-agricultural industries during the winter. Mustering-out pay, included in compensation of employees, declined to \$12.3 million, \$1 million less than in February.

Entrepreneurial income of \$2.6 billion was \$34 million below the amount in February, mainly as a result of de-

crease in nonfarm income. Dividends and interest totaled \$990 million in March, 8.3 percent more than a year earlier.

Estimated Pay Rolls in Covered Employment, Fourth Quarter, 1944

Total wages and salaries rose to \$29.5 billion in the fourth quarter of 1944, bringing the year's total to

\$113.0 billion, 9.8 percent more than for 1943. Indicating a slackening in the rate of increase, wages and salaries in the fourth quarter of 1944 were only 5 percent above the total in the fourth quarter of 1943.

The 1944 rise was largely concentrated in government pay rolls, including pay to the armed forces, and in manufacturing. About 37 percent of the increase over 1943 occurred in pay rolls covered by old-age and survivors insurance, 33 percent in pay

Table 1.—Income payments to individuals, by specified period, 1936-45¹

[In millions; data corrected to May 5, 1945]

Calendar year and month	Total ²	Compensation of employees ³	Entrepreneurial income, net rents, and royalties	Dividends and interest	Public aid		Social insurance and related payments ⁴	Military allowances ⁵
					Work relief ⁶	Direct relief ⁷		
1936	\$68,024	\$40,027	\$13,003	\$9,785	\$2,155	\$672	\$955	-----
1937	72,365	44,689	14,162	9,891	1,639	836	1,020	198
1938	66,135	40,845	12,369	8,233	2,094	1,008	1,329	-----
1939	70,793	43,870	13,441	8,801	1,870	1,071	1,616	-----
1940	76,110	48,218	14,313	9,175	1,578	1,097	1,801	-----
1941	92,110	60,262	18,599	9,761	1,213	1,112	1,744	-----
1942	117,311	79,970	23,933	9,771	586	1,061	1,844	\$136
1943	143,089	101,813	27,161	10,389	57	940	1,703	1,020
1944	156,723	112,043	28,017	11,195	-----	944	1,970	2,548
1944								
March	12,981	9,278	2,363	914	-----	79	159	188
April	12,932	9,252	2,324	919	-----	78	161	198
May	12,992	9,257	2,353	924	-----	78	162	218
June	13,088	9,337	2,361	929	-----	78	160	222
July	13,054	9,379	2,271	935	-----	78	166	224
August	13,096	9,383	2,298	940	-----	78	165	231
September	13,011	9,346	2,237	947	-----	78	168	234
October	13,178	9,398	2,341	951	-----	79	171	237
November	13,291	9,446	2,395	958	-----	79	175	238
December	13,376	9,530	2,384	964	-----	80	177	240
1945								
January	13,538	9,589	2,472	970	-----	80	185	241
February	13,723	9,625	2,608	980	-----	80	187	243
March	13,702	9,622	2,574	990	-----	80	192	244

¹ Compensation of employees; entrepreneurial income, net rents, and royalties; and dividends and interest adjusted for seasonal variation.

² Includes veterans' bonus; for totals for years 1936-42 see October 1943 *Bulletin*; March payments were \$400,000.

³ Wage and salary payments minus deductions for employee contributions to social insurance and related programs. Includes industrial pensions, payments to the armed forces, and, beginning with February 1944, mustering-out pay.

⁴ Earnings of persons employed by NYA, WPA, and CCC. Excludes earnings of persons employed on other Federal agency projects financed from emergency funds; such earnings are included in compensation of employees.

⁵ Payments to recipients under 3 special public assistance programs and general assistance, value of

food stamps issued by Food Distribution Administration under food stamp plan, and substance payments certified by Farm Security Administration.

⁶ Payments under programs of old-age and survivors insurance, railroad retirement, Federal, State, and local retirement, workmen's compensation, State unemployment compensation, railroad unemployment insurance, veterans' pensions and compensation, and, beginning with September 1944, readjustment allowances to unemployed veterans.

⁷ Government portion of payments to dependents of members of the armed forces; portion deducted from military pay included under compensation of employees as part of military pay rolls.

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

rolls covered by State unemployment compensation programs, and approximately 6 percent in pay rolls covered by the railroad retirement and railroad unemployment insurance programs; the remainder represented primarily the rise in government pay rolls.

Pay rolls covered by old-age and survivors insurance in October-December 1944 amounted to \$19.2 billion, about the same as in the fourth quarter of 1943. As a result, such

wages represented only 65 percent of all wages and salaries in the fourth quarter of 1944, compared with 68 percent a year earlier. Similarly, wages covered by the State unemployment compensation programs, \$18.0 billion in the last quarter of each of these 2 years, represented only 61 percent of all wages and salaries in October-December 1944 but 64 percent in October-December 1943.

Wages and salaries of workers in railroad and related industries cov-

ered by the railroad retirement and railroad unemployment insurance programs were 13.7 percent more than in the fourth quarter of 1943. Because this rate of increase was considerably greater than that for total wages and salaries, the proportion covered by the railroad programs rose from 3.5 to 3.8 percent.

Social Insurance and Related Payments

March payments under the selected social insurance and related programs shown in table 3 amounted to \$117 million, an increase of 4.5 percent over the February amount and a rise of about one-third from that a year earlier. The programs included in the monthly series represent 60.9 percent of all social insurance and related payments as estimated by the Department of Commerce.

Unemployment benefits under the State and railroad programs were \$800,000 more than the February total and only slightly less than the high level in January when unemployment reached its seasonal peak. State unemployment compensation payments of \$7.2 million were made to 103,200 unemployed workers. Compared with those a year earlier these figures represent a decrease of 1.5 percent in payments and 8 percent in beneficiaries. During the same period, unemployment decreased only 4.6 percent, according to the Bureau of the Census; in March 830,000 persons were unemployed. Railroad unemployment insurance payments amounting to \$100,000 were made to 1,600 unemployed workers, an increase over March 1944 of approximately one-fourth in both payments and beneficiaries. Payments of approximately \$3.1 million to unemployed veterans under the Servicemen's Readjustment Act brought the March total of unemployment benefits to \$10.5 million.

Payments under the Rhode Island sickness compensation program rose for the first time since June 1944. March payments were 25 percent above the February amount and 13.6 percent above that in March 1944.

Monthly retirement, disability, and survivor benefits under the four retirement programs exceeded the total a year earlier by \$24.8 million; 76 percent of this increase resulted from larger benefit rolls and higher benefit rates under the veterans' program, 19 percent from the steady rise in the

Table 2.—Estimated pay rolls in employment covered by selected programs¹ in relation to all wages and salaries, by specified period, 1937-44

[Data corrected to May 5, 1945]

Period	All wages and salaries ²	Old-age and survivors insurance ³	Railroad retirement ⁴	State unemployment compensation ⁵	Railroad unemployment insurance ⁶
Amount (in millions)					
Calendar year:					
1937.....	\$45,053	\$32,770	\$2,265	(7)	\$2,265
1938.....	41,247	29,026	2,010	\$26,200	2,010
1939.....	44,313	32,222	2,149	29,069	2,149
1940.....	48,771	35,668	2,272	32,450	2,272
1941.....	60,885	45,417	2,685	42,146	2,685
1942.....	80,793	58,147	3,337	54,776	3,337
1943.....	102,932	70,152	3,781	65,126	3,781
1944.....	113,031	73,914	4,424	69,463	4,424
1943					
Jan.-Mar.....	23,473	15,911	892	15,011	892
Apr.-June.....	25,526	17,490	931	16,501	931
July-Sept.....	25,849	17,602	966	16,614	968
Oct.-Dec.....	28,084	19,149	900	18,000	960
1944					
Jan.-Mar.....	27,138	17,915	1,070	16,884	1,070
Apr.-June.....	18,289	12,289	1,100	17,244	1,100
July-Sept.....	28,404	18,533	1,128	17,330	1,128
Oct.-Dec.....	29,496	19,177	1,126	18,005	1,126
Percent of all wages and salaries					
Calendar year:					
1937.....	100.0	72.7	5.0	(7)	5.0
1938.....	100.0	70.4	4.9	63.5	4.9
1939.....	100.0	72.7	4.8	65.6	4.8
1940.....	100.0	73.1	4.7	66.5	4.7
1941.....	100.0	74.6	4.4	69.2	4.4
1942.....	100.0	72.0	4.1	67.8	4.1
1943.....	100.0	68.2	3.7	64.2	3.7
1944.....	100.0	65.4	3.9	61.5	3.9
1943					
Jan.-Mar.....	100.0	67.8	3.8	64.0	3.8
Apr.-June.....	100.0	68.5	3.6	64.6	3.6
July-Sept.....	100.0	68.1	3.7	64.3	3.7
Oct.-Dec.....	100.0	68.2	3.5	64.1	3.5
1944					
Jan.-Mar.....	100.0	66.0	3.9	62.2	3.9
Apr.-June.....	100.0	65.3	3.9	61.6	3.9
July-Sept.....	100.0	65.2	4.0	61.0	4.0
Oct.-Dec.....	100.0	65.0	3.8	61.0	3.8

¹ Include data for Alaska and Hawaii. Pay roll in these 2 territories covered by State unemployment compensation programs has ranged from \$18 million to \$72 million per quarter.

² Data from Bureau of Foreign and Domestic Commerce. Quarterly data have been adjusted to correct for distribution of bonus payments. Represents estimated wages and salaries paid in cash and in kind in continental United States and, in addition, pay rolls of armed forces in all other areas. Includes employee contributions to social insurance and retirement programs. Because estimates of all wages and salaries are built up by industry groups, amount in covered and noncovered employment cannot be determined precisely. While the estimated amount in covered employment included within this total differs from pay rolls in covered employment as given in this table, the difference is so small that it does not invalidate relationship of covered pay rolls to total. Commerce estimates

relate to calendar quarters; estimates for pay rolls covered by old-age and survivors insurance, railroad retirement, and unemployment compensation relate to pay periods ended in calendar quarters. Series revised.

³ Represents taxable wages plus estimated nontaxable wages in excess of \$3,000 earned in employment covered by program. Series revised.

⁴ Represents taxable wages plus nontaxable wages in excess of \$300 per month.

⁵ Represents taxable wages plus nontaxable wages earned in employment covered by program; excludes earnings of railroad workers covered by State laws through June 1939. Data for 1942 and 1943 estimated. Series revised.

⁶ Estimated for 1937-June 1939, when railroad workers were covered by State unemployment compensation laws.

⁷ Not available.

number of beneficiaries under old-age and survivors insurance, and 2.5 percent from the increase in retirement and survivor payments under the railroad retirement program. Payments made to retired and dis-

Table 3.—Selected social insurance and related programs, by specified period, 1936-45

[In thousands; data corrected to May 3, 1945]

Calendar year and month	Total	Retirement, disability, and survivor programs											Unemployment insurance programs			
		Monthly retirement and disability benefits ¹				Survivor benefits							Rhode Island sick-ness com-pensa-tion ¹⁰	State unem-employ-ment com-pensa-tion laws ¹⁰	Service-men's Read-just-ment Act ¹¹	Rail-road Unem-employ-ment Insur-ance Act ¹²
						Monthly			Lump-sum							
		Social Security Act ³	Rail-road Retirement Act ³	Civil Service Com-mis-sion ⁴	Veter-an's Ad-minis-tration ⁵	Social Security Act ⁶	Rail-road Retirement Act ³	Veter-an's Ad-minis-tration ⁷	Social Security Act ⁸	Rail-road Retirement Act ³	Civil Service Com-mis-sion ⁴	Veter-an's Ad-minis-tration ⁹				
Number of individuals																
1944																
March		436.0	159.3	77.9	724.6	373.4	4.2	327.0	13.7	1.3	1.0	4.0	4.6	112.2		1.3
April		442.2	159.5	78.5	759.2	382.1	4.2	329.3	12.3	1.4	1.0	4.1	5.5	83.3		.8
May		451.0	159.8	78.7	792.8	391.9	4.2	332.5	13.4	1.5	1.3	4.5	8.3	87.1		.5
June		458.5	159.9	79.2	814.4	399.2	4.2	336.5	12.3	1.3	.5	4.5	8.3	77.9		.4
July		466.7	160.2	79.7	833.9	403.2	4.3	339.0	11.9	1.4	.9	4.4	7.6	65.7		.3
August		475.6	160.7	80.1	854.7	411.1	4.3	344.1	14.2	1.7	1.2	4.2	7.0	72.3		.6
September		482.2	161.2	80.9	875.6	421.8	4.3	350.9	14.2	1.6	1.2	3.7	5.9	63.3	3.3	.7
October		492.3	162.1	82.2	901.4	434.4	4.3	358.7	15.5	1.6	1.2	3.8	5.6	63.6	8.3	.8
November		500.6	162.8	83.2	929.6	445.7	4.3	364.7	14.6	1.5	1.5	3.9	5.0	71.4	12.0	.9
December		508.7	163.5	83.9	955.7	454.3	4.3	372.7	13.0	1.4	1.4	3.6	4.5	74.9	16.8	1.2
1945																
January		522.6	163.9	84.8	982.3	467.0	4.3	380.9	15.4	1.5	1.5	3.7	4.4	104.8	23.7	1.9
February		533.9	164.9	85.4	1,008.1	479.4	4.2	386.3	15.4	1.4	1.5	3.4	4.3	100.1	26.1	1.8
March		547.1	165.5	86.0	1,037.8	494.7	4.3	405.7	18.7	2.0	2.8	3.8	5.0	103.2	27.8	1.6
Payments ¹³																
1936	\$458,896		\$683	\$51,630	\$299,001		\$2	\$99,992			\$4,062	\$3,395		\$131		
1937	501,664		40,001	53,694	299,660		444	96,370	\$1,278		4,401	3,684		2,132		
1938	969,600		96,766	56,118	301,277		1,383	101,492	10,478		4,604	3,405		393,786		
1939	1,045,089		107,282	58,331	307,512		1,451	109,192	13,896	1,926	4,952	3,553		429,298		\$5,696
1940	1,185,702	\$21,074	114,166	62,019	317,851	\$7,784	1,448	105,096	11,736	2,497	5,810	3,960		518,700		15,961
1941	1,085,488	55,141	119,912	64,933	320,561	25,454	1,559	111,799	13,328	3,421	6,170	4,352		344,321		14,537
1942	1,130,721	80,305	122,806	68,115	325,265	41,702	1,603	111,193	15,038	4,114	6,108	4,120		344,074		6,268
1943	921,466	97,257	125,795	72,961	331,350	57,763	1,704	116,133	17,830	5,560	7,344	4,350	\$2,860	79,643		917
1944	1,119,616	119,009	129,707	78,081	456,279	76,942	1,765	144,302	22,146	6,591	7,863	4,784	5,062	62,385	\$4,119	582
1944																
March		87,525	9,313	10,629	6,402	32,897	5,944	145	10,832	1,936	487	685	406	319	7,351	70
April		88,132	9,439	10,707	6,426	35,303	6,035	148	10,897	1,721	554	672	416	395	5,471	48
May		90,442	9,659	10,741	6,412	36,290	6,209	150	10,960	1,867	586	739	433	595	5,771	31
June		90,312	9,810	10,712	6,454	36,258	6,316	146	11,457	1,712	518	625	457	596	5,225	26
July		96,347	9,999	10,798	6,536	41,925	6,364	147	12,589	1,656	557	468	392	547	4,348	21
August		96,362	10,236	10,843	6,506	40,369	6,549	148	12,547	1,968	661	712	476	502	4,808	38
September		97,743	10,289	10,889	6,549	41,524	6,775	151	13,004	1,962	602	684	398	422	4,246	207
October		100,091	10,573	11,040	6,659	42,271	7,012	147	13,038	2,138	570	708	386	404	4,350	748
November		102,457	10,770	10,982	6,673	43,548	7,172	147	12,924	2,043	523	827	368	364	4,918	51
December		105,564	10,903	11,064	6,788	44,485	7,237	147	13,813	1,836	598	693	391	330	5,192	70
1945																
January		111,867	11,257	11,065	6,856	46,993	7,507	143	13,891	2,189	599	830	370	318	7,299	2,438
February		111,895	11,548	11,184	6,810	46,971	7,755	143	14,404	2,181	534	788	340	290	6,435	2,413
March		116,960	11,925	11,253	6,962	47,800	8,094	146	14,900	2,634	764	1,257	380	302	7,242	3,140

¹ Old-age retirement benefits under all acts, disability retirement benefits under Railroad Retirement and Civil Service Retirement Acts, and disability payments to veterans.

² Number and amount of primary and wife's benefits and benefits to children of primary beneficiaries. Partly estimated.

³ Annuitants and pensioners as of 20th of month; includes disability beneficiaries. Payments represent amounts certified, minus cancellations. Widows receiving both survivor and death-benefit annuities are counted twice, but 2 or more individuals sharing 1 death-benefit annuity are counted as 1. Monthly payments to survivors include annuities to widows under joint and survivor elections and 12-month death-benefit annuities to widows and next of kin.

⁴ Retirement and disability benefits include survivor benefits under joint and survivor elections; not adjusted for suspension of annuities of persons receiving under National Defense Acts of June 28, 1940, and Jan. 24, 1942. Payments principally from civil-service retirement and disability fund but include also payments from Canal Zone retirement and disability fund and Alaska Railroad retirement and disability fund administered by Civil Service Commission. Monthly retirement payments include accrued annuities to date of death paid to survivors. Refunds to employees leaving the service, which were previously included in this table, will be summarized twice a year in the *Bulletin*.

⁵ Number of veterans receiving pensions and compensation and amount of payments.

⁶ Number and amount of widow's, widow's current, parent's, and child's benefits. Partly estimated.

⁷ Number of widows, parents, and children of deceased veterans on whose account payments were made and amount of payments.

⁸ Number and amount of survivor payments with respect to deaths of covered workers under both the 1935 and 1939 acts, and, for the period January 1937-August 1939, payments to covered workers at age 65 totaling \$9.9 million, which are not survivor payments.

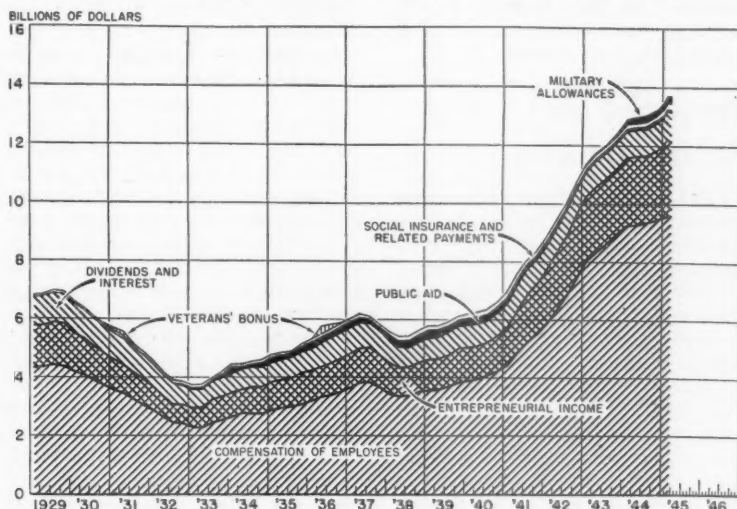
⁹ Number represents average weekly number of benefit recipients. Annual amounts under State unemployment compensation laws adjusted for voided benefit checks; monthly amounts unadjusted.

¹⁰ Readjustment allowances to unemployed veterans.

¹¹ Number represents average number of persons receiving benefits for unemployment in a 14-day registration period. Annual amounts adjusted for underpayments and recoveries of overpayments; monthly figures unadjusted.

¹² Data represent payments to individuals and exclude cost of administration. Payments under the Social Security and Railroad Retirement Acts (including retroactive payments) and payments under Railroad Unemployment Insurance Act are amounts certified; payments under Civil Service Commission and Veterans Administration are disbursements minus cancellations; Rhode Island sickness compensation and State unemployment insurance payments are checks issued by State agencies.

¹³ Preliminary estimate.

Chart 1.—Income payments to individuals, January 1929–March 1945¹¹ Monthly average for each quarter for the period 1929–44; monthly data thereafter.

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

abled workers and their families totaled \$77.9 million, 31.6 percent more than in March 1944. Of this amount, \$47.8 million was paid to disabled and aged veterans, 45 percent more than the amount a year earlier. This rise in payments was accompanied by an increase of 43 percent in the number of beneficiaries, representing primarily the addition of World War II veterans. Retirement payments under the Social Security Act, which have shown relatively large increases in recent months, totaled \$11.9 million, a rise of 28 percent from payments a year earlier; the number of beneficiaries rose 25.5 percent. Over the year, payments under the civil-service and railroad retirement programs increased at a much slower rate.

Total monthly survivor payments of \$23.1 million were 36 percent more than a year earlier. Payments under both the Social Security Act and the veterans' program increased at about the same rate as that for all survivor payments, while the increase under the Railroad Retirement Act was slight. The March rise in payments under the veterans' program reflects both the increase in the number of deceased World War II veterans whose dependents have survivor rights and the addition to the rolls of widows and children of World War I veterans now eligible for service pen-

sions under Public Law No. 483.¹

Lump-sum payments under all programs were above the February level, and sizable increases have occurred since March 1944 under all but the veterans' program, in which there was a 6-percent decline. For the civil-service program, lump-sum payments totaled \$1.3 million, 84 percent more than in the corresponding month of 1944, while under the Railroad Retirement and Social Security Acts payments increased 57 and 36 percent, respectively, and the number of recipients increased similarly.

Approximately 1.8 million individuals received retirement and disability benefits under the four programs. Monthly payments were made to 900,000 survivors, and lump-sum payments to 27,300. Benefits under the State and railroad unemployment insurance programs were paid to 104,800 persons, and Rhode Island sickness compensation was paid to 5,000 beneficiaries.

The 1 million beneficiaries receiving monthly retirement or survivor payments under the Social Security Act in March represent about 645,000 families, as compared with the 505,000 families represented by 809,000 beneficiaries a year earlier. The 256,000 monthly beneficiaries receiving monthly retirement, disability, or

¹ See the *Bulletin*, January 1945, pp. 39–40.

survivor payments under the railroad and civil-service retirement programs represent an approximately equal number of families, since these programs do not provide supplementary payments for wives and children of retired or disabled workers and since monthly benefits are not paid to more than one survivor of a deceased annuitant. The 1.4 million monthly beneficiaries under the veterans' program represent at least 1.3 million families.

Table 4.—Cumulative number of cases¹ through March 1945, under the emergency maternity and infant care program,² by State

State	Date of approval of State plan	Maternity and infant cases		
		Authorized	Completed	Closed without payment
Total		761,427	443,306	12,705
Ala.	June 1943	11,571	6,938	495
Alaska	July 1943	356	214	5
Ariz.	May 1943	5,355	3,171	134
Ark.	do	12,700	8,612	338
Calif.	June 1943	52,614	31,847	426
Colo.	Nov. 1943	9,288	5,656	61
Conn.	May 1943	8,672	4,467	191
Del.	Apr. 1943	1,881	1,210	72
Dist. of Col.	June 1943	6,880	4,137	74
Fla.	do	15,068	8,303	324
Ga.	Aug. 1943	12,705	7,399	641
Hawaii	May 1943	984	634	47
Idaho	do	3,928	2,619	47
Ill.	do	39,844	27,032	645
Ind.	do	24,704	15,106	292
Iowa	June 1943	14,348	9,293	123
Kans.	May 1943	18,280	11,609	580
Ky.	do	16,042	9,746	329
La.	Dec. 1943	12,147	6,889	157
Maine	May 1943	4,650	2,738	137
Md.	Apr. 1943	9,911	5,760	266
Mass.	Aug. 1943	21,861	12,454	395
Mich.	May 1943	26,150	16,406	347
Minn.	June 1943	15,281	8,919	140
Miss.	Apr. 1943	13,872	8,197	293
Mo.	May 1943	21,363	11,765	906
Mont.	June 1943	3,813	2,328	46
Neb.	do	9,965	5,673	131
Nev.	Apr. 1943	1,526	789	123
N. H.	June 1943	2,498	1,467	31
N. J.	Apr. 1943	20,121	11,339	297
N. Mex.	do	5,899	4,081	207
N. Y.	June 1943	67,593	35,565	313
N. C.	Apr. 1943	24,445	12,811	38
N. Dak.	Mar. 1944	2,232	1,200	16
Ohio	Aug. 1943	34,354	19,444	131
Okla.	Apr. 1943	18,078	9,773	481
Oreg.	Sept. 1943	7,265	4,356	52
Pa.	do	44,602	22,786	972
Puerto Rico	Feb. 1944	2,435	710	38
R. I.	Apr. 1943	4,314	2,493	49
S. C.	do	15,365	8,168	456
S. Dak.	May 1943	4,733	2,874	18
Tenn.	July 1943	9,676	4,931	177
Tex.	Dec. 1943	37,824	18,192	628
Utah	May 1943	6,537	3,953	23
Vt.	Apr. 1943	2,549	1,474	181
Va.	July 1943	15,077	9,360	125
Wash.	May 1943	13,940	9,376	219
W. Va.	Apr. 1943	11,318	7,378	91
Wis.	May 1943	15,082	10,531	315
Wyo.	Apr. 1943	1,711	1,123	95

¹ Cumulative from beginning of program in each State; time of beginning varies among States from April 1943 to March 1944.² Data reported by State health agencies to Children's Bureau; figures subject to revision.

Source: U. S. Children's Bureau.

Emergency Maternity and Infant Care Program

Through March 1945, more than 680,000 wives and 80,000 infants of servicemen had received care under the emergency maternity and infant care program administered by the Children's Bureau.² New cases authorized each month include servicemen's wives and infants for whom the initial application for care has been approved and for whom services have been authorized. A subsequent pregnancy of a woman previously cared for is counted as a new case; care of an infant is counted as one case throughout the child's first year—that is, as long as he is eligible for care under the program. The number of cases authorized for maternity care fluctuates from month to month but in recent months has not approached the peak of 43,000 recorded in June 1944. An estimated 35,500 maternity cases were authorized in April. The largest number of cases authorized for infant care in a single month was 7,000 in March 1945; the estimated number for April was 7,500. Although, through March 31, 1945, 415,000 maternity cases have been completed, only about 80,000 infant cases have been authorized for necessary medical or hospital care.

Total payments under the program have increased from \$2.8 million in August 1944 to \$3.8 million in March.

² For a brief discussion of the program see the *Bulletin*, May 1944, pp. 43-44; for data for months prior to August 1944, see also the *Bulletin*, September 1944, p. 38.

Table 5.—Number of cases under the emergency maternity and infant care program, by month, August 1944–March 1945¹

Month	Number of cases authorized ¹		Number of cases completed ¹	
	Maternity	Infant	Maternity	Infant
Cumulative through March 1945 ²	681,563	79,604	415,058	28,248
1944				
August	41,560	4,452	26,404	1,903
September	38,086	4,282	27,831	1,847
October	38,120	4,976	30,690	1,910
November	35,219	5,604	31,912	2,235
December	28,255	4,806	27,277	2,232
1945				
January	34,152	6,047	38,092	2,800
February	29,678	5,902	33,252	3,111
March	34,245	7,091	34,895	3,205

¹ Distribution by type estimated.

² Cumulative from beginning of program in April

Payments are made by State health agencies from Federal grants directly to the physicians, hospitals, or nurses who provide the services.

Financial and Economic Data

Total Federal cash receipts and expenditures, including receipts and expenditures under programs administered by the Social Security Board, are shown in table 6. These data, which will appear quarterly hereafter, are similar to those published monthly through February 1945, except that the figures are now quarterly and exclude details for non-Board programs. Since these data are on a cash basis they exclude trust fund investments, transactions between Government agencies, and the public debt; data for the public debt are shown in table 7.

Total Federal cash income and outgo (including trust account operations) both reached all-time highs in March. Income tax payments were the chief element in raising total cash income to \$7.2 billion; cash outgo reached \$8.9 billion. During the quarter ending with March, Federal cash

income was about 40 percent more than in the previous quarter and about 20 percent more than in the first quarter a year ago. Expenditures, on the other hand, were only a little above those in the last quarter of 1944, and slightly below those in the first quarter of 1944. Cash outgo exceeded cash income by \$9 billion in the quarter. During this same period the public debt increased by more than \$3 billion, of which the two social security trust funds absorbed 16 percent or \$519 million. By comparison, during the first quarter of 1944 the public debt increased by \$19 billion, of which the two trust funds absorbed 3 percent or \$604 million.

Cash income under Social Security Board programs consists of collections under the Federal Insurance Contributions and Federal Unemployment Tax Acts and State deposits in the unemployment trust fund. Cash income under these programs during the first quarter of 1945, although 9 percent less than in the first quarter of 1944, was slightly higher than in the last quarter of 1944 because of the increase in Federal unemployment tax collections, the major portion of which is received in February of each

Table 6.—Cash income and outgo: ¹ Total Federal and Social Security Board programs, 1943 and 1944, and by quarter, 1944–March 1945

Classification	1943	1944					1945
		Total	January–March	April–June	July–September	October–December	
Cash income.....	\$38,246	\$48,885	\$12,780	\$13,428	\$11,805	\$10,873	\$15,368
Social security.....	2,729	2,816	710	710	706	659	677
Federal insurance contributions.....	1,239	1,316	290	350	349	327	273
Federal unemployment taxes.....	161	183	134	19	15	15	137
Deposits in unemployment trust fund ²	1,328	1,317	317	341	342	317	267
Other.....	35,517	46,069	12,039	12,718	11,099	10,214	14,691
Cash outgo.....	89,334	95,445	24,174	24,300	23,289	23,680	23,997
Social security ³	711	750	187	191	184	188	198
Social Security Board.....	461	471	119	121	117	114	112
Administrative expenses.....	26	23	6	6	5	6	6
Grants to States.....	435	447	113	114	112	108	106
Public assistance ⁴	398	412	102	108	102	100	97
Unemployment compensation administration.....	37	36	11	6	10	8	9
State withdrawals from unemployment trust fund.....	78	63	18	18	13	14	22
Old-age and survivors insurance benefits.....	166	209	48	51	53	57	62
Administrative expenses, Department of the Treasury ⁵	7	7	2	2	2	2	2
Other.....	88,623	94,695	23,987	24,109	23,105	23,492	23,799

¹ Cash income and outgo represent flow of cash, exclusive of borrowed cash, into and out of Treasury. Data include expenditures from trust funds, exclude transactions between Government agencies (i. e., transfers to trust accounts from general funds, investment of funds in special issues, repayment of sums borrowed) and other transactions, such as issuance or redemption of public debt obligations other than redemptions of adjusted-service bonds. Data thus differ from those in *Daily Statement of the U. S. Treasury*, which presents Government's budgetary position.

² Deposits by States of contributions collected under State unemployment compensation laws.

³ Federal expenditures administered chiefly by Social Security Board. Includes administrative expenses of Bureau of Census in connection with searching census records for old-age and survivors insurance; these expenses amounted to less than \$500,000 in both 1943 and 1944 and to \$19,836 in January–March 1945.

⁴ Old-age assistance, aid to dependent children, aid to the blind.

⁵ In connection with old-age and survivors insurance.

Source: Total Federal cash income and outgo from *Bulletin of the Treasury Department*, other data from *Daily Statement of the U. S. Treasury*.

year. Collections under the old-age and survivors insurance program accounted for 40 percent of total social security cash income, deposits in the unemployment trust fund accounted for 40 percent, and Federal unemployment taxes, 20 percent.

A comparison of expenditures under social security programs with those in the preceding quarter shows a 6-percent increase. About half of these expenditures in the quarter were grants to States for old-age assistance, aid to dependent children, and aid to the blind. Cash outgo for unemployment compensation, including grants to States for administration of unemployment compensation programs and withdrawals by States from the unemployment trust fund for benefit payments, accounted for 15 percent of the total. Benefit payments from the old-age and survivors insurance trust fund made up about 30 percent, and administrative expenses accounted for the remaining 4 percent.

Social Insurance Contributions

The total amount of collections as reported by the Treasury during March under the five selected social insurance taxes (table 8) was \$129 million, the highest total ever reached in the month of March. All taxes except State unemployment contributions shared in the large increase over collections in March 1944. For the railroad unemployment insurance program the increase in contributions was a reflection of the high level of employment in that industry. The unusually high collections of Federal insurance contributions and Federal

unemployment taxes may be traceable in part to an unusual lag in reporting quarterly collections. March 1945 collections of Federal insurance contributions of \$18 million were about four times as large as collections in March 1944, and Federal unemployment tax collections of \$10 million were about three times as large as those in the previous year. Despite the abnormally high collections in March, however, total collections of the two taxes in the quarter were 4 percent less than those a year earlier.

Federal insurance contributions in the first quarter of 1945—\$273 million—were 16 percent below collections in the preceding quarter and, more significantly, 6 percent below collections in the first quarter of 1944. Heretofore, collections in the January-March quarter have been larger than in each corresponding quarter a year earlier. This reversal of trend in the rate of increase is shown by the figures for this fiscal year. In comparison with 1943-44, collections were 5 percent higher in the first 3 months of the fiscal year 1944-45, 4 percent higher in the first 6 months, but less than 1 percent higher in the first 9 months.

Federal unemployment taxes in the first quarter of 1945 totaled \$137 million, 2 percent above collections in the first quarter of 1944. State unemployment compensation contributions of \$265 million deposited in State clearing accounts, on the other hand, reflected the operation of experience-rating provisions; the amount collected was 17 percent less than in the preceding quarter and 16 percent less than in the first quarter of 1944.

Appropriations and Expenditures

Compared with the corresponding period in the preceding fiscal year, total expenditures of \$521 million from July 1944 through March 1945 under programs administered by the Board were 3 percent higher (table 9). Benefit payments under old-age and survivors insurance, which increased almost 30 percent, were chiefly responsible for this increase, since all other expenditures decreased, except administrative expenses of the Treasury in connection with old-age and survivors insurance. Total expenditures for grants to States decreased by 7 percent, and administrative expenses of the Social Security Board, by 1 percent.

Total expenditures in the 9 months were about three-fourths of the appropriations for the entire fiscal year, while expenditures for grants to States for unemployment compensation administration were 80 percent. On April 25, the President signed the First Deficiency Appropriation Act, 1945, providing additional amounts for programs under the administration of the Social Security Board as follows: \$996,000 for grants to States for unemployment compensation administration, \$6.2 million for public assistance grants, and \$225,000 for administrative expenses for the Bureau of Old-Age and Survivors Insurance.

Status of Trust Accounts

Old-age and survivors insurance trust fund.—In contrast to the declining amount of Federal insurance contributions in the first quarter of 1945, benefit payments continued to rise gradually and reached \$23 mil-

Table 7.—Social security trust fund investments and the public debt, 1942-March 1945

Item	Investments as of Dec. 31, 1942	Net acquisitions during period							Investments as of Mar. 31, 1945
		1943	1944					1945	
			Total	January-March	April-June	July-September	October-December	January-March	
Total public debt.....	\$108, 170	\$57, 707	\$64, 753	\$18, 835	\$16, 288	\$8, 492	\$21, 135	\$3, 319	\$233, 950
Securities acquired by social security trust funds..	7, 342	2, 532	2, 672	604	801	643	624	519	13, 065
Old-age and survivors insurance trust fund.....	3, 655	1, 124	1, 188	233	397	268	290	187	6, 154
Unemployment trust fund.....	3, 687	1, 408	1, 484	371	404	375	334	332	6, 911
All other securities.....	100, 828	55, 175	62, 081	18, 234	15, 487	7, 850	20, 510	2, 801	230, 885

Source: Daily Statement of the U. S. Treasury.

lion in March. Payments of \$62 million in the first quarter of 1945 were 8 percent above those in the preceding quarter and 31 percent more than in the first quarter of 1944.

Receipts of the fund during March were about the same as expenditures, and total assets remained at \$6,221 million. The fund acquired \$200 million of 1½-percent special certificates of indebtedness, maturing June 30, 1945; its cash balances were reduced by the same amount. The March investments raised the value of all securities held by the fund to \$6.2 billion. The fund was credited with \$7.7 million of interest due

March 15 on 2½-percent Treasury bonds.

Unemployment trust fund.—Deposits of \$11 million by States during March brought the total for the quarter to \$267 million, 16 percent below deposits in both the preceding quarter and the corresponding quarter of 1944. The current quarter under discussion is the third in which deposits have been below those a year earlier. Conversely, withdrawals for benefit payments in the last 2 quarters have exceeded those in the corresponding period of the preceding year. March withdrawals were 18 percent above those in February, and the \$22 million withdrawn in the quarter ending with

March was 51 percent more than the October–December amount.

The fund acquired \$38 million of 1½-percent special certificates of indebtedness in March, raising its total investment holdings to \$6,911 million. Of the \$3 million of interest on 2½-percent Treasury bonds received during the month, 92 percent was allocated to State accounts and the remainder to the railroad account. An excess of \$35 million in receipts over expenditures raised total assets to \$6,915 million.

At the end of March, combined investments of the two funds totaled \$13.1 billion, representing 5.6 percent of the public debt.

Table 8.—Social insurance taxes under selected programs, by specified period, 1942–45¹

[In thousands]

Period	Old-age and survivors insurance		Unemployment insurance		
	Federal insurance contributions	Taxes on carriers and their employees	State unemployment contributions ²	Federal unemployment taxes	Railroad unemployment insurance contributions
Fiscal year:					
1942–43.....	\$1,130,495	\$208,795	\$1,217,737	\$158,361	\$102,710
1943–44.....	1,292,122	267,065	1,353,272	179,909	121,518
9 months ended:					
March 1943.....	819,752	151,308	892,732	140,326	76,282
March 1944.....	942,499	188,400	1,007,818	191,305	85,633
March 1945.....	948,556	214,945	920,622	167,787	99,406
1944					
March.....	4,404	58,581	11,385	3,559	28,479
April.....	35,136	354	150,189	3,265	78
May.....	309,381	13,494	175,229	14,250	975
June.....	5,107	64,877	20,037	1,089	34,832
July.....	51,751	1,395	172,482	2,948	57
August.....	293,279	14,182	160,332	11,727	1,099
September.....	3,814	56,936	4,369	666	33,105
October.....	55,427	1,464	169,221	3,160	48
November.....	267,340	14,414	143,760	11,154	1,110
December.....	3,974	55,235	5,899	919	31,761
1945					
January.....	33,275	1,156	132,093	13,232	31
February.....	222,056	4,679	127,303	114,251	724
March.....	17,640	65,484	5,162	9,729	31,471

¹ Data for years prior to 1942 will be shown only semiannually: for fiscal years in August, for calendar years in February.

² Represents contributions plus penalties and interest collected from employers and contributions from employees, deposited in State clearing accounts. Data reported by State agencies, corrected to Apr. 27, 1945.

Source: *Daily Statement of the U. S. Treasury*, unless otherwise noted.

Table 9.—Federal appropriations and expenditures under programs¹ administered by the Social Security Board, by specified period, 1943–45

[In thousands]

Item	Fiscal year 1943–44		Fiscal year 1944–45	
	Appropriations	Expenditures through March ²	Appropriations	Expenditures through March ²
Total.....	\$660,072	\$507,269	\$700,336	\$521,370
Administrative expenses.....	25,701	23,366	25,386	23,059
Federal Security Agency, Social Security Board ³	25,451	17,750	25,221	17,490
Department of Commerce, Bureau of the Census.....	250	198	165	85
Department of the Treasury ⁴	(⁵)	5,418	(⁵)	5,484
Grants to States.....	449,773	350,097	436,950	325,499
Old-age assistance.....	7 343,350	268,634	403,600	250,998
Aid to dependent children.....	7 56,885	43,595	40,150	40,150
Aid to the blind.....	7 10,115	7,746	7,675	7,675
Unemployment compensation administration ⁶	30,423	30,122	33,350	26,676
Benefit payments, old-age and survivors insurance.....	8 184,597	133,806	10 238,000	172,812

¹ Excludes war emergency programs.

² Based on checks cashed and returned to Treasury.

³ See footnotes 8–10.

⁴ Represents appropriations and expenditures for salaries and some miscellaneous items; excludes other miscellaneous expenditures of the Board made from Federal Security Agency appropriations. Includes amounts expended by the Board in administration of old-age and survivors insurance, reimbursed from old-age and survivors insurance trust fund to general fund of Treasury.

⁵ Represents amounts expended by Treasury in administration of title II of Social Security Act and Federal Insurance Contributions Act, reimbursed from old-age and survivors insurance trust fund to general fund of Treasury.

⁶ Not available because not separated from appropriations for other purposes.

⁷ Reflects transfers among the 3 programs.

⁸ Appropriations include \$4,095,411 for 1943–44 and \$4,350,055 for 1944–45 transferred from War Manpower Commission as reimbursement for expenditures for employment office facilities and services.

⁹ Represents actual benefit payments during 1943–44 from old-age and survivors insurance trust fund.

¹⁰ Represents estimated expenditures during 1944–45 from old-age and survivors insurance trust fund shown in 1945–46 budget.

Source: Various Federal appropriation acts and 1945–46 budget (appropriations); *Daily Statement of the U. S. Treasury* (expenditures).

Table 10.—Status of the old-age and survivors insurance trust fund, by specified period, 1937-45¹

[In thousands]

Period	Receipts		Expenditures		Assets			
	Appropriations to trust fund ²	Interest received ³	Benefit payments ⁴	Reimbursement for administrative expenses ⁵	Net total of U. S. Government securities acquired ⁶	Cash with disbursing officer at end of period	Credit of fund account at end of period	Total assets at end of period
Cumulative, January 1937-March 1945.....	\$6,659,934	\$423,518	\$716,464	\$145,834	\$6,153,834	\$32,256	\$35,065	\$6,221,155
Fiscal year:								
1942-43.....	1,130,495	87,403	149,304	27,492	1,035,200	24,495	6,966	4,268,296
1943-44.....	1,292,122	103,177	184,597	32,607	1,172,036	21,384	16,136	5,446,391
9 months ended:								
March 1943.....	819,752	3,191	108,127	19,793	691,400	24,793	4,389	3,922,216
March 1944.....	942,499	3,349	153,806	22,334	775,636	28,479	17,655	5,058,004
March 1945.....	948,557	18,859	172,812	19,840	744,964	32,256	35,065	6,221,155
1944.....								
March.....	4,404	554	16,615	2,002	144,000	28,479	17,655	5,058,004
April.....	35,136		16,494	3,424		23,977	37,374	5,073,221
May.....	309,381		17,126	3,424		22,838	327,343	5,362,051
June.....	5,107	99,828	17,171	3,424	397,000	21,384	16,136	5,446,391
July.....	51,751	4	16,630	2,447	-12,000	24,747	57,462	5,479,079
August.....	283,279		18,118	2,447	25,620	329,312	5,751,802	5,751,802
September.....	3,814	3,714	18,402	2,437	279,964	26,898	34,760	5,788,492
October.....	55,427		19,204	1,869		26,686	69,326	5,772,846
November.....	267,340		18,996	1,869		28,680	313,806	6,019,320
December.....	3,974	2,630	19,248	1,869	290,000	29,418	8,455	6,004,707
1945.....								
January.....	33,275	4,938	20,032	2,307	-13,000	30,376	36,371	6,020,582
February.....	222,056		19,431	2,307		32,936	234,129	6,230,899
March.....	17,640	-7,673	22,751	2,307	200,000	32,256	35,065	6,221,155

¹ Data for years prior to 1942 will be shown only semiannually: for fiscal years in August, for calendar years in February.² Equals taxes collected under Federal Insurance Contributions Act.³ Interest on investments held is credited annually in June; on investments redeemed, in month of redemption.⁴ Based on checks cashed and returned to Treasury.⁵ Figures for October-December 1944, in addition to usual bookkeeping adjustment for April-June quarter, include additional bookkeeping adjustments for expenditures for fiscal years 1941-42, 1942-43, and 1943-44. Figures in table do not reflect actual outlays in the respective years.⁶ Minus figures represent net total of notes redeemed; includes accrued interest.

Source: Daily Statement of the U. S. Treasury.

Table 11.—Status of the unemployment trust fund, by specified period, 1936-45¹

[In thousands]

Period	Total assets at end of period	Net total of Treasury certificates and bonds acquired ²	Unexpended balance at end of period	State accounts				Railroad unemployment insurance account			
				Deposits	Interest credited	Withdrawals ³	Balance at end of period	Deposits	Interest credited	Benefit payments	Balance at end of period ⁴
Cumulative, January 1936-March 1945.....	\$6,914,989	\$6,911,000	\$3,989	\$8,210,052	\$410,302	\$2,200,884	\$6,313,317	\$473,143	\$28,718	\$44,373	\$601,672
Fiscal year:											
1942-43.....	4,372,460	1,228,000	5,460	1,217,686	75,563	174,334	4,002,870	92,441	6,861	1,834	369,890
1943-44.....	5,878,778	1,503,000	8,778	1,349,307	88,526	60,000	5,380,403	100,375	8,001	591	498,375
9 months ended:											
March 1943.....	4,000,027	853,000	8,027	893,327	34,800	154,408	3,657,374	68,655	3,174	1,597	342,653
March 1944.....	5,471,327	1,099,000	5,327	1,007,942	41,101	42,218	5,009,396	77,078	3,722	458	461,931
March 1945.....	6,914,989	1,041,000	3,989	925,710	55,960	48,779	6,313,317	89,465	5,171	539	601,672
1944.....											
March.....	5,471,327	39,000	5,327	17,603		6,916	5,009,396	25,631		73	461,931
April.....	5,508,478	28,000	14,478	43,714		6,567	5,046,543	71		67	461,935
May.....	5,780,782	280,000	6,782	277,219		5,752	5,318,010	877		40	462,772
June.....	5,878,778	96,000	8,778	20,431		5,463	5,380,403	31,349	4,279	25	498,375
July.....	5,925,618	43,000	12,618	50,628		3,931	5,427,100	56		24	498,518
August.....	6,215,750	298,000	4,750	284,766		4,550	5,707,316	964		17	508,433
September.....	6,248,160	34,000	3,160	6,878		4,216	5,709,979	29,795		48	538,180
October.....	6,301,412	23,000	33,412	57,245	756	4,882	5,763,093	43	60	45	538,313
November.....	6,550,190	278,000	4,190	262,416		4,593	6,010,922	999		46	539,268
December.....	6,583,434	33,000	4,434	7,071	2,336	4,910	6,015,418	28,585	216	53	568,016
1945.....											
January.....	6,674,828	74,000	21,828	43,537	50,165	6,970	6,102,174	27	4,637	100	572,654
February.....	6,880,453	220,000	7,453	211,822		6,758	6,307,238	652		92	573,214
March.....	6,914,989	38,000	3,989	11,346	2,702	7,970	6,313,317	28,324	250	116	601,672

¹ Data for years prior to 1942 will be shown only semiannually: for fiscal years in August, for calendar years in February.² Includes accrued interest.³ Includes transfers from State accounts to railroad unemployment insurance account amounting to \$106,176,000, of which \$111,000 was transferred from Kentucky account in July, \$1,000 in September, \$66,000 in October 1944, and \$97,000 in January 1945.⁴ Includes transfers from railroad unemployment insurance administration fund amounting to \$38,030,880.

Source: Daily Statement of the U. S. Treasury.

Recent Publications in the Field of Social Security*

War and Postwar Social Services

BABCOCK, LYNDON. "Civilian Adjustment of the Veteran With an 'NP Discharge'." *Public Personnel Review*, Chicago, Vol. 6, Apr. 1945, pp. 85-91. \$1.50.

Discusses the various types of neuropsychiatric discharges and urges employers to "employ the best of skill, wisdom, and tact in participating in the civilian adjustment of veterans."

THE GOVERNORS' CONFERENCE. *Proceedings of the Governors' Conference, 1944.* Chicago: The Conference, 1944. 199 pp. \$2.50.

The Conference centered around the problems of reconversion and postwar readjustment. Papers presented included Public Works as an Aid to Employment, by J. Howard McGrath; Industrial Reconversion, by Earl Warren; Social Security, by Herbert O'Connor; Industrial Reconversion, by Bernard M. Baruch; and Tax and Fiscal Policy, by John W. Bricker.

JAGER, HARRY A., and ZERAN, FRANKLIN R. "Community Adult Counseling Centers." *Occupations*, N. Y., Vol. 23, Feb. 1945. Entire issue. 50 cents.

General principles for organizing community counseling centers for war workers and veterans, supplemented by studies of existing plans.

KATZ, ALFRED H. "A Counseling Outpost for War Workers." *Family*, N. Y., Vol. 26, Apr. 1945, pp. 43-49. 25 cents.

Describes the Family Counseling Service of Willow Run, Mich.

NATHAN, CYNTHIA RICE. "Social Service to Plastic Surgery Cases." *Family*, N. Y., Vol. 26, Mar. 1945, pp. 9-15. 25 cents.

The role of the social worker in helping the disfigured serviceman and his family maintain a constructive attitude toward the injuries.

NATIONAL COUNCIL ON REHABILITATION. *Symposium on the Processes of Rehabilitation*, from the program presented on May 25, 1944, at the

National Conference of Social Work, Cleveland, Ohio. N. Y.: The Council, 1944. 32 pp.

K. Vernon Banta discusses selective placement for the handicapped; McKee Fisk considers plans and procedures for medical and vocational rehabilitation for veterans; and Michael J. Shortley outlines the work of the Office of Vocational Rehabilitation.

PUBLIC ADMINISTRATION CLEARING HOUSE. *Proceedings, Press Seminar on Demobilization and Veterans ... December 6-9, 1944.* Chicago: Public Administration Clearing House, 1944. 276 pp. Processed. \$5.

Papers and discussion by government officials and representatives of industry and labor on the broad problems of human demobilization and readjustment.

"Rehabilitation and the Returning Veteran." *Mental Hygiene*, N. Y., Vol. 29, Jan. 1945, pp. 1-45. 75 cents.

Four papers, presented at the annual meeting of the National Committee for Mental Hygiene, New York City, November 8, 1944, on the adjustment problems—for veteran and for community—of the returning servicemen. Discusses the experience of the Army separation centers, the New York City Veterans' Service Center, and the Payne Whitney Psychiatric Clinic of the New York Hospital in working with veterans.

"The Rehabilitation of Discharged Personnel in New Zealand." *International Labour Review*, Montreal, Vol. 51, Apr. 1945, pp. 503-509. 50 cents.

A summary of the second annual report of the New Zealand Rehabilitation Board for the year ending March 31, 1944.

RUSSELL SAGE FOUNDATION. LIBRARY. *Rehabilitation of the Disabled Serviceman: A Selected Bibliography.* Revised and enlarged edition. N. Y.: The Foundation, 1944. 14 pp. (Bulletin No. 162, Nov. 1944.) 20 cents.

"Services Available to the Handicapped." *Public Welfare in Indiana*, Indianapolis, Vol. 55, Feb. 1945. Entire issue.

Describes the services available in Indiana for crippled children and physically handicapped veterans and civilians.

U. S. CONGRESS. HOUSE OF REPRESENTATIVES. COMMITTEE ON PENSIONS. *State Veteran Laws. State Laws*

Granting Rights, Benefits and Privileges to Veterans, Their Dependents, and Their Organizations. Special compilation to January 1, 1945. Washington: U. S. Govt. Print. Off., 1945. 277 pp. (78th Cong., 2d sess., House Committee Print No. 10.)

U. S. OFFICE OF WAR INFORMATION. Veterans' Information Program. Washington: U. S. Govt. Print. Off., 1945. 18 pp. Prepared by the Office of War Information in cooperation with the Retraining and Reemployment Administration.

Information on veterans' rights, benefits, and privileges with suggestions as to how to prevent misunderstanding between civilians and veterans.

U. S. OFFICE OF WAR MOBILIZATION AND RECONVERSION. *Second Report to the President, the Senate and the House of Representatives by the Director of War Mobilization and Reconversion, April 1, 1945.* Washington: U. S. Govt. Print. Off., 1945. 44 pp.

Mr. Byrnes reports on the production and reconversion policies and controls necessary after V-E and V-J days and repeats his recommendation that "unemployment benefits should be adjusted upward in line with increases in wages and the cost of living."

"The Veteran and the Community." *Jewish Social Service Quarterly*, N. Y., Vol. 21, Mar. 1945, pp. 184-216. 75 cents.

Selected papers from a conference of the Committee for Coordinating Jewish Community Services for Veterans.

"War Years 1938-1945 in Family Social Work." *Highlights*, N. Y., Vol. 6, Mar. 1945. Entire issue. 15 cents. Reviews the changes in techniques and the problems arising from the war.

General

ADDAMS, JANE. *Peace and Bread in Time of War.* N. Y.: King's Crown Press, 1945. Anniversary edition. 267 pp. \$2.

A new edition with an introductory essay by John Dewey. The book, first published in 1922, presents a picture of the development of American sentiment from 1914-22 and of the efforts for peace made by a group of American women and their connection with the women of other countries, as they became organized into the Women's International League for Peace and Freedom.

AMERICAN FEDERATION OF LABOR. COMMITTEE ON POST-WAR PLANNING. *Post-war Forum.* Washington: Ransdell Inc., 1944. 73 pp.

*The inclusion of prices of publications in this list is intended as a service to the reader, but any orders must be directed to publishers or booksellers and not to the Social Security Board or the Federal Security Agency. Federal publications for which prices are listed should be ordered from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

A series of talks on postwar international and domestic problems, stressing the necessity for preventing large scale unemployment and providing productive jobs.

ARGENTINE REPUBLIC. "Decreto Núm. 31.655/44—Régimen de Previsión Para el Personal del Comercio." *Derecho del Trabajo*, Buenos Aires, Vol. 5, Feb. 1945, pp. 86-96.

The text of the Argentine decree establishing old-age and invalidity pension funds for the employees of commercial concerns.

"The Belgium Social Security Scheme." *International Labour Review*, Montreal, Vol. 51, Apr. 1945, pp. 524-528. 50 cents.

A summary of the general compulsory social insurance program established by the legislative orders of December 28 and 29, 1944.

BRAZIL. MINISTERIO DO TRABALHO, INDUSTRIA E COMERCIO. INSTITUTO DE APOSENTADORIA E PENSÕES DOS INDUSTRIÁRIOS. *Balanço geral de 31 de Dezembro de 1943*. Rio de Janeiro: Tipografia Mercantil, 1944. 115 pp. Financial statement as of December 31, 1943, of the Pensions Institute for Industrial Workers.

BUSTOS A., JULIO. "Política Inversionista de las Instituciones de Previsión Social." *Prevision Social*, Santiago de Chile, Vol. 11, July-Sept., 1944, pp. 306-310.

The factors to be considered in formulating an investment policy for national pension funds.

CANADA. DEPARTMENT OF NATIONAL HEALTH AND WELFARE. *Family Allowances: A Children's Charter*. Ottawa: Edmond Cloutier, 1945 (?). Unpag.

A pamphlet of questions and answers on the family allowance program.

CASSIDY, HARRY M. *Public Health and Welfare Reorganization; The Post-war Problem in the Canadian Provinces*. Toronto: The Ryerson Press, 1945. 464 pp. \$2.80.

By the author of *Social Security and Reconstruction in Canada*. Analyzes "the problem of reorganizing and developing the provincial and local health and welfare services so as to fit them into a national plan of social security." The major emphasis is on "questions of organizational structure, intergovernmental relations, and administrative practice." Treats the Province of British Columbia in great detail and the other Provinces more briefly.

CLAXTON, BROOKE. "Agenda for Action." *Canadian Welfare*, Ottawa, Vol. 20, Mar. 1, 1945, pp. 3-6. 25 cents.

The Minister of National Health

and Welfare reviews Canada's progress in social welfare and outlines steps for future action.

CONGRESS OF INDUSTRIAL ORGANIZATIONS. *Final Proceedings, 1944, Seventh Constitutional Convention of the Congress of Industrial Organizations*. Washington: The Congress, 1944. 374 pp.

Includes the text of the CIO reemployment plan, the report of the committee on social security, and the resolution in which the convention renewed "its support to the program of improved and extended social security as outlined in the Wagner-Murray-Dingell bill, and H. R. Bills 5226 and 5477."

EIRE. DEPARTMENT OF LOCAL GOVERNMENT AND PUBLIC HEALTH. *Report 1942-1943*. Dublin: Stat. Off., 1944. 273 pp. 3s. 6d.

Includes data on public assistance, old-age pensions, public health, and medical assistance.

ERIKSSON, BERNHARD. "Social Security in Sweden," *American Swedish Monthly*, N. Y., Vol. 38, Apr. 1945, pp. 8-9 ff. 20 cents.

Brief description of the old-age and invalidity pensions system.

"Family Allowances Bill." *Parliamentary Debates. House of Commons*, London, Vol. 408, 8th Mar. 1945, columns 2259-2370.

General debate in the House of Commons on the second reading of the bill, which provides for the payment by the Minister of National Insurance of an allowance for each family at the rate of 5 shillings for each child except the first or only child.

"Family Allowances in Canada." *The Labour Gazette*, Ottawa, Vol. 45, Mar. 1945, pp. 271-272. 20 cents. Brief description of the act and data on registration for Prince Edward Island.

FARMERS EDUCATIONAL AND COOPERATIVE UNION OF AMERICA. *National Farmers Union 1945 Program*. Washington: The Union, 1945. 4 pp.

Proposes extension of the Social Security Act "to cover all farm people, including farm labor" and urges establishment of "adequate public health services for rural areas, clinics and hospitals in rural areas, mobile health units, and the inducements needed to attract doctors to these areas, and a program to provide such facilities and opportunities through private and cooperative action, supplemented by government funds where necessary."

"A Federal Department of Welfare; Some Initial Considerations." *Compass*, N. Y., Vol. 26, Apr. 1945, pp. 15-16 ff. \$1 a year.

A report of a 2-day seminar of the faculty of the New York School of Social Work on "improving community welfare services and considering a possible reorganization of the federal services as one means to that end."

HANSEN, ALVIN H. *America's Role in the World Economy*. N. Y.: W. W. Norton Co., 1945. 197 pp. \$2.50.

Considers the necessity for international economic cooperation and discusses present and proposed organizations to achieve it.

HARRIS, SEYMOUR E., and HANSEN, ALVIN H. "The Price of Prosperity." *New Republic*, N. Y., Vol. 112, Jan. 15, 1945, pp. 73-76; Jan. 22, 1945, pp. 111-114; Feb. 12, 1945, pp. 223-225; Feb. 26, 1945, pp. 284-286; Mar. 5, 1945, pp. 328-330. 15 cents a copy.

Six articles "on the related problems of export trade, full employment at home and the proposals made at Bretton Woods."

"Labor Conditions in Germany." *Monthly Labor Review*, Washington, Vol. 60, Mar. 1945, pp. 498-524. Prepared in the Bureau of Labor Statistics, Editorial and Research Division, by John P. Umbach. 30 cents.

Data on wartime wages and hours, developments in labor controls, collective bargaining, trade union activity, and social insurance.

LIPSON, LESLIE. "The New Zealand Means Test: An Appraisal." *Public Administration*, London, Vol. 22, Winter 1944/45, pp. 131-136. 4s.

An analysis of the public attitude toward the means test and the financial and administrative changes which would result from its abolition.

MACKINNON, F. B. "What Family Allowances Mean to the Maritimes." *Public Affairs*, Halifax, Vol. 8, Winter 1945, pp. 103-108. 30 cents.

The principles underlying Canada's family allowances program and the effect on the standard of living and general welfare of the Maritime Provinces.

NATIONAL INDUSTRIAL CONFERENCE BOARD. *Measuring and Projecting National Income*. N. Y.: The Board, 1945. 27 pp. (Studies in Business Policy No. 5.)

Five papers on the concept and measurement of national income.

NATIONAL LEAGUE OF WOMEN VOTERS. *Extension of Social Security*. Washington: The League, 1944. 7 pp. Processed. 5 cents.

Summarizes the present provisions for social security and the changes proposed by the Wagner-Murray-Dingell bill.

NEW YORK UNIVERSITY. INSTITUTE ON POSTWAR RECONSTRUCTION. *Postwar Goals and Economic Reconstruction; Addresses Delivered at the Second Series of Conferences of the Institute on Postwar Reconstruction*. Edited by Arnold J. Zurcher and Richmond Page. N. Y.: The University, 1944. 304 pp. \$3.50.

Papers dealing with the postwar aims of industry and labor, the problems of surplus property disposal and reabsorbing labor to peacetime pursuits, and the international aspects of our postwar economy.

ROWAT, DONALD C. "Financing Social Security." *Public Affairs*, Halifax, Vol. 8, Winter 1945, pp. 97-103. 30 cents.

A paper analyzing historical and contemporary examples of contributory versus taxation approaches to financing social security.

SU SEGURIDAD, San José, Costa Rica, Vol. 8, Jan.-Dec. 1944. Entire issue.

This special issue, commemorating the third anniversary of the social security system in Costa Rica, contains a compilation of pertinent laws, decrees, and regulations.

VALLEAU, O. W. "Social Welfare in Saskatchewan." *Canadian Welfare*, Ottawa, Vol. 20, Mar. 1, 1945, pp. 16-19 f. 25 cents.

The Minister of Social Welfare surveys the provisions for public welfare within the Province.

WEST, JAMES. *Plainville, U. S. A.* N. Y.: Columbia University Press, 1945. 238 pp. \$2.75.

In order to learn "in detail how one relatively isolated and still 'backward' American farming community reacts to the constant stream of traits and influences pouring into it from cities and more 'modern' farming communities," the author spent more than a year in a small midwest village collecting background material on local history, religion, education, economics, social organization, customs, and attitudes.

Old-Age and Survivors Insurance

ALTMAYER, A. J. "Old-Age and Survivors Insurance Coverage for Higher Educational Institution Employees." *Higher Education* (U. S. Office of Education), Washington, Vol. 1, Feb. 1, 1945, pp. 1-3.

The advantages and some of the problems involved in extending coverage to this group.

ALTMAYER, ARTHUR J. *Religious Organizations Move Toward Social Security*. Reprinted from the *Christian Advocate*, issue of March 8,

1945. 2 pp. Available from the Social Security Board, Informational Service, 1825 H Street NW, Washington 25, D. C.

Traces the historical reasons for excluding employees of religious organizations from coverage under the Social Security Act and recent changes in the attitude of religious groups toward coverage.

ROBBINS, RAINARD BENTON. *Railroad Social Insurance, Favored Treatment Versus Uniform Social Insurance*. N. Y.: American Enterprise Association, Inc., 1945. 82 pp. (National Economic Problems No. 405.) 50 cents.

Outlines the existing provisions for retirement benefits and unemployment compensation for railroad employees and the proposals for amending these plans contained in H. R. 1362. Discusses the justification for separate and favored treatment of any one group of employees within a national system of social insurance.

U. S. DEPARTMENT OF AGRICULTURE. OFFICE OF INFORMATION. *Social Security for Farmers and Farm Workers*. Washington, 1945. 4 pp. Processed.

Brief information on the principal provisions of the present Social Security Act and how the proposed changes would affect farmers.

Employment Security

AMERICAN FEDERATION OF LABOR. *A Radio Forum Conducted by the American Federation of Labor on Unemployment Compensation*. Washington: Ransdell Inc., 1945. 8 pp. (*America United*, Vol. 1, Jan. 21, 1945.)

AMERICAN LEGION. NATIONAL EMPLOYMENT COMMITTEE. *The American Legion Program for Maximum Employment*. Washington: The Legion, 1945 (?). 19 pp.

AMERICAN LEGION. NATIONAL EMPLOYMENT COMMITTEE. *The American Legion Program for Veterans' Employment*. Washington: The Legion, 1945 (?). 15 pp.

A joint employer and community program for obtaining maximum employment for the veteran's aptitudes and skills.

"Changes in Composition of the Older Railroad Labor Force." *Monthly Review* (Railroad Retirement Board), Chicago, Vol. 6, Mar. 1945, pp. 34-38 f.

Data on age composition, 1937-44.

"Effects of War-Contract Cut-Backs on Selected Plants." *Monthly Labor Review*, Vol. 60, Mar. 1945, pp. 463-478. 30 cents.

A survey, made during May and

June 1944, of 80 establishments in 25 localities to study the effects of cut-backs in war contracts upon plants, employees, and communities.

"Employment Counseling and the United States Employment Service." *Manpower Review*, Washington, Vol. 12, Mar. 1945, pp. 3-24. 10 cents.

Articles describing the counseling program of the USES and the related programs of the Veterans Administration and the Army and Navy.

FLETCHER, A. L. "Unemployment Compensation—1944 Review." *U. C. C. Quarterly* (Unemployment Compensation Commission of North Carolina), Raleigh, Vol. 3, Winter 1945, pp. 4-8.

Includes recommendations for revisions in the present State law.

"Full Employment." *Survey Graphic*, N. Y., Vol. 34, Mar. 1945, pp. 93-106 ff. 30 cents.

In Part I, What Beveridge Proposes, Maxwell S. Stewart analyzes the proposals put forth in *Full Employment in a Free Society*. Part II, From Patchwork to Purpose, by Leon H. Keyserling, examines the proposed Full Employment Act of 1945 introduced in Congress by Senators Murray, Wagner, Thomas, and O'Mahoney.

GRAGG, CHARLES I., and TEELE, STANLEY F. "The Proposed Full Employment Act." *Harvard Business Review*, N. Y., Vol. 23, Spring 1945, pp. 323-337. \$1.50.

Analyzes the proposals contained in S. 380 and points out some of the issues involved. Includes the text of the bill.

"The Human Aspects of the Transition From War to Peace." *National Lawyers Guild Review*, Washington, Vol. 5, Jan.-Feb. 1945, pp. 22-31. 50 cents.

The report of the Guild's Committee on Post-War Planning. Includes recommendations for "an unemployment insurance program that would adequately cover all workers; that would provide benefits for the duration of unemployment and in amounts that would guarantee to each worker no less than the minimum subsistence for himself and family, but not more than previous wages." Urges the enactment of the Wagner-Murray-Dingell bill and a uniform Federal unemployment insurance system.

KENNEDY, VAN DUSEN. *Union Policy and Incentive Wage Methods*. N. Y.: Columbia University Press, 1945. 260 pp. (Studies in History, Economics, and Public Law No. 513.) \$3.

An investigation of wage-incentive plans in selected manufacturing in-

dustries to discover how these methods actually affect workers. Describes labor reactions in terms of worker behavior and union practices.

LEWIS, MABEL S. "The Guaranteed Annual Wage." *Industrial Bulletin and Employment Review* (New York State Department of Labor), Albany, Vol. 24, Jan.-Feb. 1945, pp. 11-15. 10 cents.

Summarizes various plans for guaranteeing annual wages and the arguments for and against such plans.

MASSACHUSETTS. DIVISION OF EMPLOYMENT SECURITY. STATE ADVISORY COUNCIL. *Biennial Report 1943-1944*. Boston: Wright & Potter Printing Co., Legislative Printers, 1945. 63 pp. (House, No. 1680.)

In addition to data on the activities of the Employment Security Division for 1943 and 1944, the report discusses Federal-State relations, the special study made by the council on the advisability of paying sickness benefits, and the proposals for an expanded social security program.

MURRAY, PHILIP. *The Guaranteed Annual Wage*. Pittsburgh, Pa.: United Steel Workers of America, 1945. 14 pp.

Explanation of the United Steel Workers' demand for a guaranteed minimum annual wage.

NEW JERSEY. STATE COMMISSION ON POST-WAR ECONOMIC WELFARE. *Labor Security in the Post-War Period*. Trenton, 1945. 52 pp.

Recommendations on unemployment compensation, workmen's compensation, and migratory labor.

NEW YORK STATE. UNEMPLOYMENT INSURANCE ADVISORY COUNCIL. *Report for Year 1944*. N. Y.: The Council, 1945. 34 pp. Processed.

Includes the statement by the employer members favoring the adoption of experience rating in New York State.

"The Obstacle Course in Unemployment Compensation." *Jobs* (Mississippi Unemployment Compensation Commission), Jackson, Vol. 8, Feb. 28, 1945, pp. 3-5 f.

Examines "some of the most formidable of the obstacles that every unemployed worker must negotiate successfully before he can draw his first unemployment benefit check."

SCHANTZ, WILLIAM. "North Dakota Unemployment Compensation Laws and the Reconversion Period." *North Dakota Welfare—News and Views*, Bismarck, Vol. 1, Mar. 1945, pp. 6-7 f.

Summarizes recent changes in the State law which increased the amount

and duration of benefits and liberalized disqualification provisions.

"Unemployment Insurance Beneficiaries in 1943-1944: Occupational Distribution and Service in the Railroad Industry." *Monthly Review* (Railroad Retirement Board), Chicago, Vol. 6, Mar. 1945, pp. 39-43.

UTAH. INDUSTRIAL COMMISSION. DEPARTMENT OF EMPLOYMENT SECURITY. *Speaking About the Postwar Period*—, Salt Lake City, 1945. 21 pp.

The work of the department in collecting labor-market data and related material useful in postwar planning for full employment.

Public Welfare and Relief

BISHOP, MARGARET KINCAID. "Employables in a Public Assistance Agency." *Family*, N. Y., Vol. 26, Apr. 1945, pp. 67-74. 25 cents.

Discussion, supplemented by case histories, of what is meant by the term "employable."

BUSHEY, PAULINE. "Improving Public Assistance Policies." *Public Welfare*, Chicago, Vol. 3, Mar. 1945, pp. 58-59. 50 cents.

The restrictions in the New Mexico public welfare laws measured against the objectives of an adequate public assistance program.

"Characteristics of Recipients of Old-Age Assistance in Missouri, October 1942." *Index of Public Assistance in Missouri*, Jefferson City, Vol. 6, July-Sept. 1944, pp. 71-81. Prepared by Madge Proctor Kennedy.

CHICKERING, MARTHA A., and WATKINS, MARGARET S. "How Do We Know Whether It Is a Good Local Job?" *Public Welfare*, Chicago, Vol. 3, Apr. 1945, pp. 80-85. 50 cents.

Analyzes what is meant by the term "good" and indicates ways of evaluating county welfare work.

COX, CORDELIA, and REED, ELLA W., Editors. *Interviews and Case Studies in Public Welfare*. Chicago: American Public Welfare Association, 1945. 51 pp. 75 cents.

Selections for the use of in-service training discussion groups.

HARRISON, ANNA. "Why Others Assistance." *Louisiana Welfare*, Baton Rouge, Vol. 5, Jan. 1945, pp. 3-4 f.

Suggests that since so many of the clients for general assistance (known in Louisiana as "others" assistance) are the chronically ill, the State should provide more nearly adequate medical care for this group.

INDIANA. STATE BOARD OF PUBLIC WELFARE. *A Statement by the State Board of Public Welfare Regarding the Official Report of the Indiana Investigation Commission*. Indianapolis, 1944. 27 pp.

The board refutes the charges made against it in the report of the Welfare Investigation Commission.

"The State Department of Public Welfare." *Tennessee Public Welfare Record*, Nashville, Vol. 8, Mar. 1945, pp. 2-15 f.

A description and interpretation of the department, its programs, and the procedures by which its resources are made available to those who need them.

STEVENSON, MARIETTA. "The Development of Basic Principles of Public Welfare Organization." *Public Welfare*, Chicago, Vol. 3, Apr. 1945, pp. 75-79 f. 50 cents.

Considers the problems in organizing a State welfare agency.

WINNET, NOCHEM S. "Reorganization of Pennsylvania's Correctional, Health and Welfare Services." *P. C. A. Herald* (Public Charities Association of Pennsylvania), Philadelphia, Vol. 22, Mar. 1945, pp. 1, 3.

Summarizes the recommendations of the association for reorganizing the State welfare services.

Health and Medical Care

AMERICAN MEDICAL ASSOCIATION. COUNCIL ON INDUSTRIAL HEALTH. *Proceedings of the Sixth Annual Congress on Industrial Health . . . Chicago, February 15-16, 1944*. Chicago: The Association, 1944 (?). 63 pp. (Reprinted with additions from the *Journal of the American Medical Association*.)

Papers and discussion on wartime developments and postwar planning in industrial health, medical service and workmen's compensation, rehabilitation and reemployment of the disabled, and the health problems of women in industry.

ARESTAD, F. H., and WESTMORELAND, M. G. "Hospital Service in the United States." *Journal of the American Medical Association*, Chicago, Vol. 127, Mar. 31, 1945, pp. 771-853. 25 cents.

A review for 1944, listing each registered hospital by place, type of service, ownership, number of beds, total annual admissions, and other characteristics. Also gives data on hospital facilities for the country as a whole.

AUSTRALIA. PARLIAMENT. JOINT COMMITTEE ON SOCIAL SECURITY. *Sixth Interim Report . . . July, 1943*. Canberra: L. F. Johnston, Commonwealth Govt. Print., 1943. 58 pp. 2s. 8d.

The Committee found that the National Health and Pensions Insurance Act of 1938 fails to provide for an adequate, comprehensive health service and favors the repeal of the act.

The report outlines proposals which would provide "a system of medical services directed towards the achievement of positive health and the prevention of diseases and the relief of sickness; and to render available to every individual all necessary medical services both general and specialist and both domiciliary and institutional."

BINGER, CARL. *The Doctor's Job*. N. Y.: W. W. Norton & Co., 1945. 243 pp. \$3.

Discusses "doctor-patient relationship, the choice of physicians, the much-derided problem of medical ethics, the matter of fees, socialized medicine, the passing of the family doctor, the need and province of the specialist, the gradual return of medicine from its purely technical concerns to its more humane and psychiatric beginnings and, lastly, psychosomatic medicine . . . which deals with the relationships of mind and body."

BURKE, CHARLES F. *Operation of the Rhode Island Cash Sickness Compensation Act*. Providence: Rhode Island Unemployment Compensation Board, 1944. 15 pp. Processed.

BURKE, R. V. "California Weighs Proposals for State-Wide Health Insurance." *Medical Economics*, Rutherford, N. J., Vol. 22, Mar. 1945, pp. 46-47. 25 cents.

Brief discussion of the health insurance bills introduced in California and Michigan.

BYRNE, CHARLES. *Proposals for the Future of Medical Practice*. Melbourne, Australia: Ware Ramsay Publishing Pty., Ltd., 1943. 145 pp.

Examines the faults of the present system of medical practice, analyzes suggested plans for medical service, and outlines a program to provide a complete service for the whole population.

DAVIS, MICHAEL M. "Farmers Must Go Fishing." *Survey Graphic*, N. Y., Vol. 34, Apr. 1945, pp. 125-126. 30 cents.

Gives reasons why rural areas lack adequate medical care and suggests ways of overcoming the economic difficulties in the way of improving rural health services.

DEUTSCH, ALBERT. "Federal Medicine Advocate Shocked by V. A. Program." *Medical Economics*, Rutherford, N. J., Vol. 23, Apr. 1945, pp. 53-58. 25 cents.

Criticizes the medical and hospitalization program of the Veterans Administration.

FISHBEIN, MORRIS. "Free Choice of Physicians and the Fee-for-Service System." *Hygeia*, Chicago, Vol. 23, Apr. 1945, p. 255. 25 cents.

An editorial explaining why most physicians emphasize the necessity for "free choice of physician, maintenance of personal relationship between doctor and patient, and payment on the basis of fee for service."

FOOTE, CONE & BELDING. RESEARCH DEPARTMENT. *Public Relations of the Medical Profession, State of Michigan*. Chicago: 1944. 15 pp. Processed.

A survey, based on 4,968 personal interviews, "to determine the public's attitude toward the medical profession, and to estimate the degree to which the idea of socialized medicine has been accepted by the people of the State of Michigan."

GOLDMANN, FRANZ. *Public Medical Care*. N. Y.: Columbia University Press, 1945. 226 pp. \$2.75.

Deals with "public medical care as a social movement." Analyzes, interprets, and appraises public policy in providing, at public expense, facilities and services for the care of the sick; discusses the problems of planning for health facilities, organization of professional services, payment, and administration of medical care. "Endeavors to show the relative merits of the method of taxation and its potential value to the development of broad programs of health and social security in the future."

"Health Insurance for Industrial Workers in India; the Adarkar Report." *International Labour Review*, Montreal, Vol. 51, Apr. 1945, pp. 459-464. 50 cents.

A summary of the proposed plan.

HERRICK, W. W. "Hospital Care in the Future." *Better Times* (Welfare Council of New York City), N. Y., Vol. 26, Apr. 6, 1945, pp. 8-9. 10 cents.

Prognosis of trends in hospital service and organization.

"Hospital Insurance and Related Problems." *Rhode Island Medical Journal*, Providence, Vol. 28, Mar. 1945, pp. 191 ff. 25 cents.

A summary of the interim report of the Rhode Island Voluntary Advisory Council on Health, which studied proposals for medical and surgical benefits and compulsory hospitalization insurance.

HYDE, ROBERT R. "Medical Services in Industry in Great Britain." *International Labour Review*, Montreal, Vol. 51, Apr. 1945, pp. 432-458. 50 cents.

MILLS, ELIZABETH T. "Medical Social Work in Sight Conservation as Developed in the State of Washington." *Sight-Saving Review*, N. Y., Vol. 14, Winter 1945, pp. 170-182. 50 cents.

How the State Department of Social Security carries on sight conservation.

"National Health Department of Argentina." *Argentina News*, Buenos Aires, No. 69, Dec. 1944, p. 3.

Describes the organization and activities of the recently reorganized National Health Department.

NEW YORK ACADEMY OF MEDICINE. *The March of Medicine*. N. Y.: Columbia University Press, 1945. 121 pp. \$1.75.

The annual Lectures to the Laity including papers on food and civilization, medicine and the changing world, and the effects of war on human beings.

PARRAN, THOMAS. *Over the Horizon in Public Health*. Washington (?), 1945. 13 pp. Processed.

An address at the dedication of the Health Institute of the United Automobile Workers at Detroit, outlining the steps necessary to ensure maximum services for all the people.

RICHARDSON, HENRY B. *Patients Have Families*. N. Y.: The Commonwealth Fund, 1945. 408 pp. \$3.

The problem of family and patient adjustment in relation to the maintenance of health and the treatment of illness.

Seguro Social, Mexico City, Vol. 1, Oct.-Dec. 1944. Entire issue.

Articles describing the public health clinics for workers and their families established by the Mexican Social Insurance Institute.

"State Medicine Ahead." *United States News*, Washington, Vol. 18, Apr. 6, 1945, pp. 53-55. 15 cents.

Considers that the medical and hospital services provided for veterans pave the way, in the long run, for a national health insurance program.

TATE, LELAND B. *The Health and Medical Care Situation in Rural Virginia*. Blacksburg: Virginia Polytechnic Institute, Virginia Agricultural Experiment Station, 1944. 51 pp. (Bulletin No. 363.)

WINSLOW, C.-E. A. "Public Health in the Postwar World." *Survey Graphic*, N. Y., Vol. 34, Apr. 1945, pp. 119-122 ff. 30 cents.

Outlines initial cooperative measures for controlling disease and discusses the future problems of national health.





FEDERAL SECURITY AGENCY
SOCIAL SECURITY BOARD

Washington, D. C.

ARTHUR J. ALTMAYER, *Chairman*

GEORGE E. BIGGE

ELLEN S. WOODWARD

BUREAUS AND OFFICES

Executive Director

OSCAR M. POWELL

Assistant Executive Director

WILLIAM L. MITCHELL

Bureau of Old-Age and Survivors Insurance

OSCAR C. POGGE, *Director*

Bureau of Public Assistance

JANE M. HOYT, *Director*

Bureau of Employment Security

EWAN CLAQUE, *Director*

Bureau of Research and Statistics

I. S. FALK, *Director*

Bureau of Accounts and Audits

LEONARD J. WILBERT, *Director*

Informational Service

ROBERT HUBB, *Director*

Office of Appeals Council

JOSEPH E. McELVAIN, *Chairman*

Office of the Actuary

W. R. WILLIAMSON, *Actuarial Consultant*

The SOCIAL SECURITY BULLETIN is published monthly under authority of Public Resolution No. 57, approved May 11, 1922 (42 Stat. 541), as amended by section 307, Public Act 212, 72d Congress, approved June 30, 1932. This publication is approved by the Director of the Bureau of the Budget.

The BULLETIN is prepared in the Periodic Publications Section, of which Jessica H. Barr is Chief, under the supervision of Mary Ross, Chief of the Division of Publications and Review, Office of the Executive Director. It reports current data on operations of the Social Security Board and the results of research and analysis pertinent to the social security program, and is issued primarily for distribution to agencies directly concerned with the administration of the Social Security Act. Statements in articles do not necessarily reflect final conclusions or official policies of the Social Security Board. Any part of this publication may be reproduced with appropriate credit to the BULLETIN.

The BULLETIN is for sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., to whom all purchase orders, with accompanying remittance, should be sent. Single copy, price 20 cents. Annual subscription in the United States, Canada, and Mexico, price \$2.00; in other countries, \$3.75.

Issues of the SOCIAL SECURITY YEARBOOK, an annual calendar-year supplement to the BULLETIN, are sold separately by the Superintendent of Documents as follows: 1939, 50 cents; 1940 and 1941, 70 cents each; 1942, 50 cents; 1943, 45 cents.

For VICTORY



**BUY
UNITED
STATES
WAR
BONDS
AND
STAMPS**

